The Ontario Securities Commission

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The Ontario Securities Commission administers the
Securities Act of Ontario (R.S.O. 1990, c. S.5) and the
Commodity Futures Act of Ontario (R.S.O. 1990, c. C.20)

The Ontario Securities Commission
Cadillac Fairview Tower
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

AUGUST 15, 2008

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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20 Queen Street West
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Carol S. Perry	—	CSP
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

August 21, 2008 10:00 a.m.	**New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price** s. 127 S. Kushneryk in attendance for Staff Panel: WSW/ST
September 2, 2008 2:30 p.m.	**LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia** s. 127 M. Britton in attendance for Staff Panel: LER/ST
September 2, 2008 3:30 p.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 M. Mackewn in attendance for Staff Panel: LER/ST
September 3, 2008 9:00 a.m..	**Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Wi-Fi Framework Corporation, Bryan Bowles, Steven Johnson, Frank R. Kaplan and George Sutton** s. 127 C. Price in attendance for Staff Panel: JEAT/CSP

September 4, 2008 1:00 p.m.	**Rodney International, Choeun Chhean (also known as Paulette C. Chhean) and Michael A. Gittens (also known as Alexander M. Gittens)** s. 127 M. Britton in attendance for Staff Panel: WSW/ST
September 9, 2008 1:00 p.m.	**Irwin Boock, Svetlana Kouznetsova, Victoria Gerber, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127(1) & (5) P. Foy in attendance for Staff Panel: JEAT/ST
September 9, 2008 1:00 p.m.	**Stanton De Freitas** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
September 9, 2008 1:00 p.m.	**David Watson, Nathan Rogers, Amy Giles, John Sparrow, Leasesmart, Inc., Advanced Growing Systems, Inc., The Bighub.com, Inc., Pharm Control Ltd., Universal Seismic Associates Inc., Pocketop Corporation, Asia Telecom Ltd., International Energy Ltd., Cambridge Resources Corporation, Nutrione Corporation and Select American Transfer Co.** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
September 11, 2008 9:00 a.m.	**Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries** s. 127 & 127.1 M. Britton in attendance for Staff Panel: JEAT/MCH
September 12, 2008 10:00 a.m.	**Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney** s. 127 J. Superina in attendance for Staff Panel: JEAT/ST/DLK
September 16, 2008 2:30 p.m.	**Darren Delage** s. 127 M. Adams in attendance for Staff Panel: TBA
September 16, 2008 2:30 p.m.	**Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson** s. 127(1) and 127(5) M. Boswell in attendance for Staff Panel: TBA
September 19, 2008 10:00 a.m.	**Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith** and **Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels** s. 127 M. Vaillancourt in attendance for Staff Panel: PJL/WSW/DLK

September 22, 2008 10:00 a.m.	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 and 127.1 I. Smith in attendance for Staff Panel: TBA
September 26, 2008 10:00 a.m.	**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson** s.127 J. Superina in attendance for Staff Panel: LER/MCH
September 30, 2008 10:00 a.m.	**Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester** s. 127 & 127.1 M. Boswell in attendance for Staff Panel: JEAT/DLK
October 6, 2008 10:00 a.m.	**Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s.127 P. Foy in attendance for Staff Panel: TBA
October 7, 2008 10:00 a.m.	**Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan** s.127 H. Craig in attendance for Staff Panel: TBA
October 8, 2008 10:00 a.m.	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 & 127(1) D. Ferris in attendance for Staff Panel: TBA
October 20, 2008 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 & 127(1) C. Price in attendance for Staff Panel: TBA
October 27, 2008 10:00 a.m.	**Adrian Samuel Leemhuis, Future Growth Group Inc., Future Growth Fund Limited, Future Growth Global Fund limited, Future Growth Market Neutral Fund Limited, Future Growth World Fund and ASL Direct Inc.** s. 127(5) K. Daniels in attendance for Staff Panel: TBA
November 3, 2008 10:00 a.m.	**Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 M. Britton/M. Boswell in attendance for Staff Panel: TBA
November 11, 2008 2:30 p.m.	**LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia** s. 127 M. Britton in attendance for Staff Panel: LER/ST
November 25, 2008 2:30 p.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman** s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: TBA

December 1, 2008 TBA	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA
December 3, 2008 10:00 a.m.	**Global Energy Group, Ltd. and New Gold Limited Partnerships** s. 127 H. Craig in attendance for Staff Panel: TBA
January 12, 2009 10:00 a.m.	**Franklin Danny White, Naveed Ahmad Qureshi, WNBC The World Network Business Club Ltd., MMCL Mind Management Consulting, Capital Reserve Financial Group, and Capital Investments of America** s. 127 C. Price in attendance for Staff Panel: TBA
February 2, 2009 10:00 a.m.	**Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling** s. 127(1) and 127.1 J. Superina/A. Clark in attendance for Staff Panel: TBA
March 23, 2009 10:00 a.m.	**Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
April 6, 2009 10:00 a.m.	**Gregory Galanis** s. 127 P. Foy in attendance for Staff Panel: TBA
April 20, 2009 10:00 a.m.	**Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester** s. 127 S. Horgan in attendance for Staff Panel: TBA
May 4, 2009 10:00 a.m.	**Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
September 21, 2009 10:00 a.m.	**Swift Trade Inc. and Peter Beck** s. 127 S. Horgan in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA

TBA **Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell**

s. 127

J. Waechter in attendance for Staff

Panel: TBA

TBA **Frank Dunn, Douglas Beatty, Michael Gollogly**

s.127

K. Daniels in attendance for Staff

Panel: TBA

TBA **Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels**

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: JEAT/ST

TBA **Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.**

s. 127 and 127.1

Y. Chisholm in attendance for Staff

Panel: JEAT/DLK/CSP

TBA **Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)**

s.127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

TBA **Matthew Scott Sinclair**

s.127

P. Foy in attendance for Staff

Panel: TBA

TBA **Robert Kasner**

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA **First Global Ventures, S.A., Allen Grossman and Alan Marsh Shuman**

s. 127

D. Ferris in attendance for Staff

Panel: WSW/ST/MCH

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg

Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow

Euston Capital Corporation and George Schwartz

Al-Tar Energy Corp., Alberta Energy Corp., Eric O'Brien, Bill Daniels, Bill Jakes, John Andrews, Julian Sylvester, Michael N. Whale, James S. Lushington, Ian W. Small, Tim Burton and Jim Hennesy

Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia

ADJOURNED SINE DIE

Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman

1.1.2 CSA Staff Notice 51-326 - Continuous Disclosure Review Program Activities for Fiscal 2008

CSA STAFF NOTICE 51-326 - CONTINUOUS DISCLOSURE REVIEW PROGRAM ACTIVITIES FOR FISCAL 2008

Purpose of this Notice

This notice summarizes the results of the Canadian Securities Administrators (CSA) continuous disclosure (CD) review program of reporting issuers other than investment funds for the fiscal year ended March 31, 2008 (fiscal 2008). It also gives an overview of how the CD review program works.

Background

Under Canadian securities law, reporting issuers must provide timely CD about their businesses and affairs. Market participants, including investors, rely on this information to make informed investment decisions. CD obligations are found primarily in National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102).

Each year, staff of the jurisdictions of the CSA (we) conduct a selective review of CD documents of reporting issuers other than investment funds. Our CD review program has two main objectives:

- to determine, to the extent reasonably possible within the scope of the review conducted, whether issuers are complying with their CD obligations by providing complete, accurate and timely information to investors
- to help issuers better understand their disclosure obligations under NI 51-102

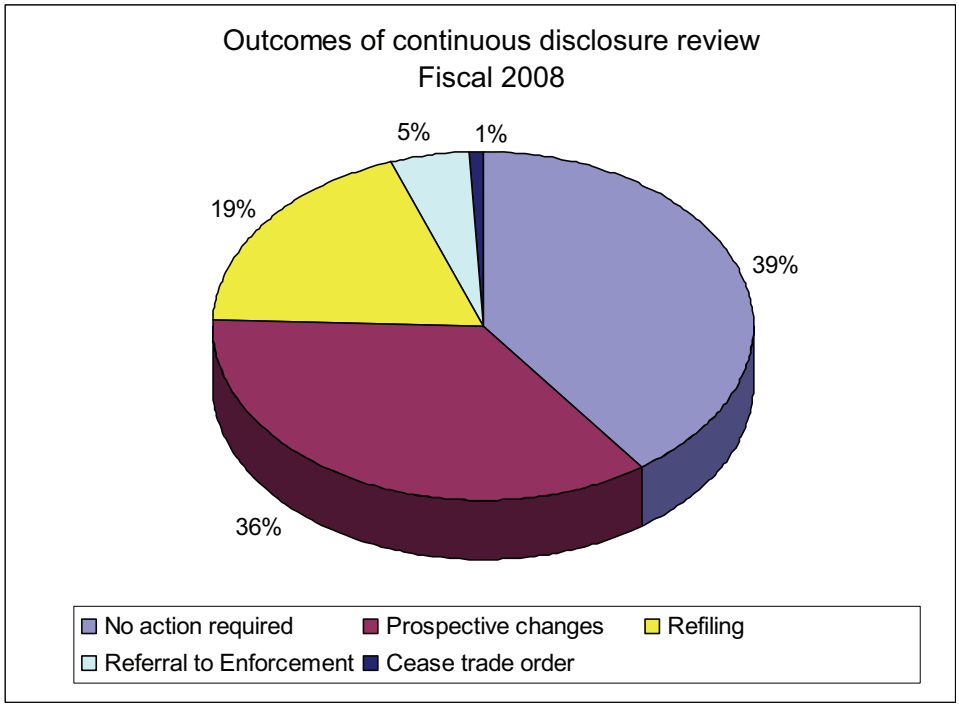
For more information, see CSA Staff Notice 51-312 *Harmonized Continuous Disclosure Review Program* (CSA Staff Notice 51-312).

Results for fiscal 2008

There are over 4,200 reporting issuers other than investment funds in Canada. In fiscal 2008, we completed 854 CD reviews, consisting of 442 full reviews and 412 issue-oriented reviews among other scrutiny.

For more information on the types of reviews we conduct and how we select issuers for review please refer to the section entitled “About our CD review program”.

The following chart shows the outcomes of the reviews for fiscal 2008. Some of the reviews had more than one outcome (e.g., refilings, referral to enforcement).



The possible outcomes of a CD review are:

- **No action required.** The issuer does not need to make any changes or additional filings.
- **Prospective changes.** The issuer has been asked to make certain changes in its next filing.
- **Refiling.** The issuer must amend or refile certain CD documents.
- **Cease trade order.** If the issuer has critical CD deficiencies, CSA regulators may issue a cease trade order.
- **Referral to Enforcement.** The review results in further work being conducted by an Enforcement branch.

Prospective changes and refilings occur as a result of deficiencies found in CD documents. A significant portion of prospective changes and refilings in 2008 resulted from deficiencies in Management's Discussion and Analysis (MD&A). What differentiates a prospective change from a refiling is a function of the nature of the deficiency and its severity. Refilings are necessary when one or more CD documents are significantly deficient because they fail to comply with securities regulation. In situations where deficiencies are not significant enough to warrant a refiling of one or more CD document, we expect the issuer to correct the CD document(s) in future filings.

Common deficiencies

Common problems that we found in MD&A included boilerplate disclosure and repeating information from the financial statements without providing sufficient analysis.

Some recurring deficiencies in MD&A included:

- inadequate disclosure of liquidity and capital resources
- lack of quantitative analysis in the results of operations discussion
- no or limited disclosure of the adoption of new accounting policies
- inadequate related party disclosure
- absent or insufficient discussion about the risks and uncertainties expected to affect the issuer's future performance

Areas and topics within the financial statements where we have noted measurement issues and common deficiencies in the disclosure of accounting policies included:

- cash flow statements
- financial instruments
- revenue recognition
- stock-based compensation

Other deficiencies found in CD documents included:

- failing to file certificates in accordance with Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, improper certificates or insufficient discussion about disclosure controls and procedures in the MD&A
- failing to file or filing a significantly deficient technical report (oil and gas and mining industries)
- failing to file or filing a deficient business acquisition report (BAR) (e.g., no reconciliation to Canadian GAAP, incorrect pro forma information)
- unsatisfactory executive compensation disclosure in Form 51-102F6

Issue-oriented reviews

In fiscal 2008, issue-oriented reviews were conducted by one or more jurisdictions on the following topics:

A. Asset-backed commercial paper (ABCP)

The CSA conducted reviews of issuers that held a material amount of non-bank ABCP. The reviews focused on valuation, presentation and disclosure of the non-bank ABCP in financial statements and MD&A.

Issuers who did not take into account appropriate factors when determining fair value of non-bank ABCP holdings were asked to restate their financial statements. Many issuers were requested to provide further disclosure in future filings on:

- the methods and assumptions used to determine fair market value, and
- the impact of non-bank ABCP holdings on the issuer's ability to meet cash needs and planned growth objectives.

B. Business acquisition reports (BARs)

Some jurisdictions conducted reviews of filings to assess compliance with the BAR requirements of NI 51-102. Other jurisdictions reviewed BARs when they conducted full CD reviews.

While there was general compliance in this area, we found common deficiencies among BARs of venture issuers. For instance, many BARs did not include the required periods of financial statements for the acquired business. In other instances, the audit report expressed a qualified opinion.

C. Environmental reporting

Staff of the Ontario Securities Commission completed a targeted review of environmental disclosure in 2006 annual filings. This review focused on compliance with existing requirements to disclose environmental matters. Please refer to OSC Staff Notice 51-716 *Environmental Reporting* for details about the results of these reviews.

D. Financial instruments

While financial instruments was an area of focus for all jurisdictions this year, some jurisdictions conducted specific reviews on the implementation of the financial instruments accounting standards effective for fiscal years beginning on or after October 1, 2006. These standards require that all financial assets and liabilities, including derivatives, be measured at fair value and include extensive disclosure requirements.

A number of issuers did not adopt the new standards and were required to restate their financial statements and MD&A. Certain issuers that adopted the financial instruments standards and were selected for review incorrectly recorded investments at cost and not fair value and had insufficient disclosure relating to fair value.

E. Mining technical disclosure

Some jurisdictions conducted reviews on the filings of mining issuers to assess compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101). While there was general compliance among these issuers, several issuers were required to:

- name the qualified person in all documents containing scientific and technical information
- file amended or new technical reports
- file or amend certificates or consents for the qualified person, or
- remove corporate presentations or other content from their website that did not comply with NI 43-101.

F. Oil and gas technical disclosure

Staff from the Alberta Securities Commission conducted reviews on issuers engaged in oil and gas activities to assess compliance with requirements set out in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*. Common issues identified include non-compliant reserve and resource classification and non-compliant use of oil and gas terminology.

G. Options backdating

In September 2006, we issued Staff Notice 51-320 *Options Backdating*. We continue to focus on this area. To date, our reviews of the timing of option grants have resulted in a number of referrals to an Enforcement branch.

About our CD review program

In general, a reporting issuer selected for review will be subject to a "full" review or an "issue-oriented" review.

Full review

The reviews we refer to as "full" reviews are broader than issue-oriented reviews, and cover more areas of disclosure. Among other things, this type of review usually includes a review of:

- annual financial statements and MD&A
- interim financial statements and MD&A
- technical disclosure, including technical reports for oil and gas and mining issuers
- annual information forms (AIF)
- annual reports
- information circulars
- press releases, material change reports and BARs
- issuer websites

We may also review media coverage and analysts' reports, if warranted.

Issue-oriented review

Issue-oriented reviews are in-depth reviews that focus on particular disclosure that we believe warrants regulatory scrutiny. They may be conducted locally by individual jurisdictions or co-ordinated across the CSA.

How we select issuers for review

In general, we use a risk-based approach to select issuers for review and to determine the type of review to conduct on each one. This risk-based approach takes into account the potential harm to Canadian capital markets if an issuer fails to provide complete, accurate and timely disclosure about its business and affairs.

We apply risk-based selection criteria, such as market capitalization and trading activity. We also consider specific issues and concerns affecting each industry. The selection criteria may change as certain disclosure-related issues gain greater public prominence, or as consensus or concerns develop over particular accounting issues or disclosure practices.

We also select issuers for review on a rotational basis.

Conducting CD reviews by industry

The CD review program has continued to evolve since we published CSA Staff Notice 51-312. In the past year we have started to focus our CD reviews by industry. This approach allows us to better understand issues and concerns that are specific to each industry. It also helps us conduct CD reviews more efficiently and address the key risk areas, accounting issues and general disclosure issues affecting each industry.

The CSA has established the following industry groups for CD reviews:

- banking and insurance
- biotechnology and pharmaceuticals

- entertainment/communications
- mining
- oil and gas
- real estate
- technology
- utilities

We may create more industry groups in the future.

Potential review areas for fiscal 2009

In any given year, reporting issuers are affected by new accounting standards and regulatory changes. Some of the topics that may receive greater attention by our CD review program for fiscal 2009 include:

- inventories (see CICA Handbook (HB) 3031)
- going concern (see CICA HB 1400)
- forward-looking information (see NI 51-102, Parts 4A and 4B)
- financial instruments and capital disclosures (see CICA HB 3862, 3863 and 1535)
- financial instruments - recognition and measurement (see CICA HB 3855)

Results by jurisdiction

The Alberta Securities Commission, the Ontario Securities Commission and the Autorité des marchés financiers publish reports summarizing the results of the CD review program in their jurisdictions. See the individual regulator's website for a copy of its report: www.albertasecurities.com, www.osc.gov.on.ca, www.lautorite.qc.ca.

For more information

For more information, contact one of the following people:

Allan Lim Manager, Corporate Finance British Columbia Securities Commission (604) 899-6780 Toll-free 800-373-6393 (in BC and Alberta) alim@bcsc.bc.ca Scott Pickard Senior Securities Analyst, Corporate Finance British Columbia Securities Commission (604) 899-6720 Toll-free 800-373-6393 (in BC and Alberta) spickard@bcsc.bc.ca	Cameron McInnis Manager, Corporate Finance Ontario Securities Commission (416) 593-3675 cmcinnis@osc.gov.on.ca Marie-France Bourret Accountant, Corporate Finance Ontario Securities Commission (416) 593-8083 mbourret@osc.gov.on.ca
Jonathan Taylor Manager, CD Compliance & Market Analysis Alberta Securities Commission (403) 297-4770 Direct Fax: 403.297.2082 jonathan.taylor@seccom.ab.ca	Benoît Crowe Chef du Service de l'information financière Autorité des marchés financiers (514) 395-0337 ext. 4331 benoit.crowe@lautorite.qc.ca

Ian McIntosh Deputy Director, Corporate Finance Saskatchewan Financial Services Commission (306) 787-5867 imcintosh@sfsc.gov.sk.ca	Bill Slattery Director, Corporate Finance and Administration Nova Scotia Securities Commission (902) 424-7355 slattejw@gov.ns.ca
Bob Bouchard Director, Corporate Finance Manitoba Securities Commission (204) 945-2555 bbouchard@gov.mb.ca	Kevin Hoyt Director, Regulatory Affairs & Chief Financial Officer New Brunswick Securities Commission (506) 643-7691 kevin.hoyt@nbsc-cvmnb.ca

August 15, 2008

1.1.3 Notice of Commission Approval – IIROC Amendments to Rules 100.2(j) and 100.2(k) Relating to Swap Arrangements Involving Regulated Entities

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

AMENDMENTS TO IIROC RULES 100.2(J) AND 100.2(K)
RELATING TO SWAP ARRANGEMENTS INVOLVING REGULATED ENTITIES

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved as amendments to IIROC Rules 100.2(j) and 100.2(k), housekeeping amendments that had previously been approved as amendments to Regulations 100.2(j) and 100.2(k) of the former Investment Dealers Association of Canada (previously approved amendments) relating to swap arrangements involving regulated entities. In addition, the British Columbia Securities Commission did not object to, and the Alberta Securities Commission, the Autorité des marchés financiers, the Financial Services Regulation Division of the Department of Government Services for Newfoundland and Labrador, the Nova Scotia Securities Commission and the New Brunswick Securities Commission approved the previously approved amendments as amendments to IIROC Rules 100.2(j) and 100.2(k). A description and a copy of the previously approved amendments were published on March 14, 2008 at (2008) 31 OSCB 3263.

1.2 Notices of Hearing

1.2.1 New Life Capital Corp. et al. – ss. 127, 127.1

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
NEW LIFE CAPITAL CORP.,
NEW LIFE CAPITAL INVESTMENTS INC.,
NEW LIFE CAPITAL ADVANTAGE INC.,
NEW LIFE CAPITAL STRATEGIES INC.,
1660690 ONTARIO LTD., L. JEFFREY POGACHAR,
PAOLA LOMBARDI AND ALAN S. PRICE

NOTICE OF HEARING
Section 127 and Section 127.1

WHEREAS on the 6th day of August, 2008, the Ontario Securities Commission (the "Commission") ordered pursuant to paragraph 2 of section 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in securities of and by the Respondents shall cease and pursuant to paragraph 3 of section 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to any of the Respondents (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that, pursuant to subsection 127(6) of the Act, the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission;

TAKE NOTICE that the Commission will hold a hearing pursuant to sections 127 and 127.1 of the Act at its offices at 20 Queen Street West, 17th Floor Hearing Room on Thursday, the 21st day of August, 2008 at 10:00 a.m. or as soon thereafter as the hearing can be held so as to consider whether, pursuant to sections 127 and 127.1 of the Act, it is in the public interest for the Commission to:

(1) extend the Temporary Order made August 6, 2008 until the conclusion of the hearing in this matter, pursuant to section 127(7) of the Act;

(2) provide notice of the Temporary Order and/or notice of such further orders of the Commission to investors in any of the corporate Respondents, pursuant to paragraph 5 of section 127(1);

(3) at the conclusion of the hearing in this matter, to make an order that:

(a) trading in any securities of or by the Respondents cease per-manently or for such period as is specified by the Commission, pursuant to paragraph 2 of section 127(1);

(b) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of section 127(1);

(c) the corporate Respondents submit to a review of their practices and procedures and institute such changes as may be ordered by the Commission, pursuant to paragraph 4 of section 127(1);

(d) the Respondents provide any document specified by the Commission to shareholders of or other investors in the corporate Respondents or to such other persons as specified by the Commission, pursuant to paragraph 5 of section 127(1);

(e) the Respondents be reprimanded, pursuant to paragraph 6 of section 127(1);

(f) the Respondents L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price resign as directors and/or officers of any or all of the corporate Respondents, pursuant to paragraph 7 of section 127(1);

(g) the Respondents L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price are prohibited from becoming or acting as director or officer of any issuer, pursuant to paragraph 8 of section 127(1);

(h) the Respondents pay an administrative penalty for failing to comply with Ontario securities law, pursuant to paragraph 9 of section 127(1);

(i) the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of section 127(1); and

(j) the Respondents be ordered to pay the costs of the investigation and hearing, pursuant to section 127.1; and

(4) to make any such further orders as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations dated August 7, 2008 and such further additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel at the hearing;

AND TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 7th day of August, 2008.

John Stevenson
Secretary to the Commission

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
NEW LIFE CAPITAL CORP.,
NEW LIFE CAPITAL INVESTMENTS INC.,
NEW LIFE CAPITAL ADVANTAGE INC.,
NEW LIFE CAPITAL STRATEGIES INC.,
1660690 ONTARIO LTD., L. JEFFREY POGACHAR,
PAOLA LOMBARDI AND ALAN S. PRICE

STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission (the "Commission") make the following allegations:

New Life

1. The corporate respondents, together, make up New Life. New Life consists of New Life Capital Corp. ("NLC"), New Life Capital Investments Inc. ("NLI"), New Life Capital Advantage Inc. ("NLA") (and its private Ontario corporation subsidiaries), New Life Capital Strategies Inc. ("NLS") and 1660690 Ontario Inc. ("1660690").

2. New Life has divided responsibility among its various corporate entities: NLC is a holding company which owns the other corporate entities; NLI sells shares and holds a pool of life settlements; NLA sells shares and has a number of subsidiaries which each hold one or more specific life settlements; NLS "sources" or finds life settlements for investment; and 1660690 serves an administrative purpose in connection with NLI's life settlements.

Principals

3. New Life has three principals: L. Jeffrey Pogachar ("Pogachar"), Paola Lombardi ("Lombardi") and Alan S. Price ("Price"). Pogachar and Lombardi are married to each other.

4. Pogachar is registered with the Commission as a trading officer for NLC. NLC has designated Pogachar its compliance officer. Pogachar is not registered with the Commission in any other capacity or with any other corporate entity.

5. Lombardi is registered with the Commission as a trading officer for NLC. Lombardi is not registered with the Commission in any other capacity or with any other corporate entity.

6. Price is not registered with the Commission in any capacity.

Corporate Entities

7. NLC was incorporated in Ontario on November 7, 2005. Its directors are Pogachar and Lombardi. NLC registered with the Commission as a limited market dealer ("LMD") on July 30, 2007. NLC has never sold a security and does not carry on any active operations, although from time to time it pays expenses related to its subsidiaries.

8. NLI was incorporated in Ontario on December 22, 2005. NLI is not registered with the Commission in any capacity. NLI's directors are Pogachar, Lombardi and Price. NLI is a subsidiary of NLC. NLI sells its class A common shares to investors by way of an Offering Memorandum. Its business activities consist of raising capital and investing in life settlements sold by U.S. residents.

9. NLA was incorporated in Ontario on December 19, 2005. It is a subsidiary of NLC. NLA is not registered with the Commission in any capacity. Its directors are Pogachar and Lombardi. Its business activities consist of raising capital through newly formed subsidiary private Ontario corporations and investing in life settlements sold by U.S. residents through those subsidiaries.

10. NLS was incorporated in Ontario on January 4, 2006. NLS is not registered with the Commission in any capacity. NLS's directors are Pogachar and Lombardi. NLS is a subsidiary of NLC. Its business activities consist of "sourcing" life insurance policies suitable for investment through use of U.S. brokerage systems or financial planners, and by soliciting sales directly from seniors.

11. 1660690 was incorporated in Ontario on July 29, 2005. It is a subsidiary of NLI. It is not registered with the Commission in any capacity. Its directors are Pogachar and Lombardi. 1660690 purchases the life insurance policies making up NLI's portfolio of life settlements and makes the premium payments on those policies. Generally, 1660690 owns the policies and NLI is named as beneficiary.

Course of Conduct Perpetrating a Fraud

12. New Life and its officers and directors have engaged or participated in acts, practices or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on investors, contrary to section 126.1 of the *Securities Act*, R.S.O. 1990, C. s.5, as amended (the "Act") by:

    (a) declaring and paying amounts purporting to be dividends in the absence of any profit or retained earnings, thereby in fact returning capital to investors on an undisclosed basis;

    (b) failing to disclose to investors that payments purporting to be dividends are actually returns of capital, and that their invested funds may be used for the purpose of making purported dividend payments; and

    (c) failing to disclose to investors the use of investors' funds for personal rather than business purposes.

Dividends

13. During the period from January 1, 2007 to January 31, 2008 (the "Review Period"), New Life paid NLI shareholders an amount purported to be an 8% annual dividend, at a rate of 2% per quarter. In particular, NLI's directors (Pogachar, Lombardi and Price) declared dividends for class A common shares in the amount of at least $280,330.60 and paid $197,570.60 in respect of those dividends.

14. NLI did not earn any profit or have any retained earnings over the Review Period. The only funds received by NLI during that period were those paid by investors for the purchase of their shares. More generally, NLI has not to date earned any profit whatsoever. The earliest date on which one of NLI's life settlements is expected to mature, and that NLI might therefore realize any profit based on business operations as they currently stand, is sometime in 2012.

15. Without any profit or retained earnings, it was not possible for NLI to declare or pay a legitimate dividend. Payments to shareholders have been, instead, an undisclosed return of capital.

16. New Life has not disclosed to investors that the payments purporting to be dividends were in fact drawn from investors' own capital, or that their invested funds would be used for that purpose.

Use of Funds for Personal Purposes

17. Over the review period, nearly $700,000 of New Life funds collected from investors was disbursed in the form of shareholder loans (to Pogachar and Lombardi).

18. In addition to the shareholder loans, Pogachar and Lombardi charged over CAD 900,000 to their VISA credit cards. During the Review Period, New Life made payments in the total amount of CAD 714,146.50 against that credit card debt. Pogachar and Lombardi, however, admitted that only approximately CAD 300,000 of the total CAD 900,000 was spent for business purposes.

19. No documents or directors' authorizations exist in respect of the shareholder loans or credit card debt, nor is there any evidence of security for the payments.

Misleading or Untrue Statements

20. New Life and its officers and directors have made statements that they know or reasonably ought to know were in a material respect misleading or untrue and would reasonably be expected to have a significant effect on the value of a security, being shares in New Life and/or its subsidiaries.

21. The NLI Offering Memoranda include references to past dividends, despite the fact that any such payments were not legitimate dividends. In addition, New Life marketing materials promise that yearly dividends attach to NLI shares, despite NLI not having any profit nor anticipation of profit for some years to come.

22. Such representations constitute misleading and/or untrue statements and make NLI shares more valuable.

Trading Without Registration or Prospectus - Shares of Issuer

23. Although NLC is registered with the Commission as an LMD, there is no evidence that NLC has ever traded in securities.

24. NLI sells shares of its own issue. It markets those shares publicly and sells them to investors in Ontario and elsewhere in Canada. More than 220 investors bought units pursuant to NLI's Offering Memorandum between 2006 and early 2008, at least 17 of whom are residents of Ontario. NLI is not registered under the Act to trade in securities and has never filed a prospectus with the Commission.

25. NLA sells shares of its newly formed subsidiary private Ontario corporations. It markets those shares publicly and sells them to investors on incorporation of each new subsidiary. A new subsidiary is incorporated for each unique investment, to hold a specific life settlement (as opposed to the pooled life settlements held by NLI). NLA is not registered under the Act to trade in securities and has never filed a prospectus with the Commission.

26. NLI and NLA purport to rely on the accredited investor and minimum amount investment exemptions for the purpose of selling without registration or a prospectus. There are investors in NLI who do not qualify for the exemption requirements and there is insufficient evidence to confirm whether any or all of NLA's investors properly qualify.

Advising Without Registration - Investor Funds

27. NLS and Pogachar (as NLS's representative) provide portfolio management and investment advice services to NLI and NLA in respect of their portfolios of life settlements purchased with investor funds. NLS "sources" or finds insurance policies that will be suitable for investment by NLI and NLA, makes decisions about when to purchase the policies and advises on how to maintain them once purchased.

28. NLS and Pogachar are "market intermediaries" and the activities of NLS and Pogachar are "in the business of advising". As such, they require registration in the categories of investment counsellor and portfolio manager for the purpose of managing the portfolio of life settlement investments.

Conduct Contrary to the Public Interest

29. The activities of the respondents, as the respondents knew or reasonably ought to have known, perpetrated a fraud on investors, contrary to section 126.1 of the Act.

30. Statements made by the respondents were misleading or untrue and would reasonably be expected to have a significant effect on the value of a security, contrary to section 126.2 of the Act.

31. The activities of the respondents constituted trading in securities without registration in respect of which no exemption was available, contrary to section 25 of the Act.

32. The activities of the respondents constituted distributions of securities for which no preliminary prospectus and prospectus were issued or receipted by the Director, contrary to section 53 of the Act.

33. The respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.

Dated at Toronto this 7th day of August, 2008.

1.3 News Releases

1.3.1 Canadian Securities Regulators Announce Results of Continuous Disclosure Reviews for Fiscal 2008

FOR IMMEDIATE RELEASE
August 13, 2008

CANADIAN SECURITIES REGULATORS ANNOUNCE RESULTS OF CONTINUOUS DISCLOSURE REVIEWS FOR FISCAL 2008

Toronto – The Canadian Securities Administrators (CSA) today published a staff notice that summarizes the results of the continuous disclosure (CD) review program for the fiscal year ended March 31, 2008.

During this period, the CSA completed 854 CD reviews, including 442 full reviews and 412 issue-oriented reviews, into areas such as asset-backed commercial paper, new accounting requirements including financial instruments and mining technical disclosure reviews.

In general, the CSA was satisfied with the level of compliance with continuous disclosure obligations by a number of its reporting issuers. Thirty-nine per cent of the reporting issuers reviewed were not required to amend disclosure documents or make further disclosure enhancements. Thirty-six per cent were requested to make enhancements to their disclosure in future filings. However, some reporting issuers had significant deficiencies, which resulted in refilings of certain CD documents (19 per cent), referrals to enforcement (five per cent) and cease trade orders (one per cent).

"Any person or company seeking to invest in the Canadian capital markets can do so with confidence knowing that our CD reviews are rigorous, timely and focused," said CSA Chair Jean St-Gelais. "CD reviews are critically important and the CSA will work to ensure that issuers continue to provide complete, accurate and timely information."

There are 4,200 reporting issuers in Canada, other than investment funds, that are subject to regular full reviews and issue-oriented reviews as part of the CSA CD review program.

CSA Staff Notice 51-326 *Continuous Disclosure Review Program Activities for Fiscal 2008* is available on various CSA members' websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

Laurie Gillett
Ontario Securities Commission
416-595-8913

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

Christian Barrette
Autorité des marchés financiers
514-940-2176

Andrew Poon
British Columbia Securities Commission
604-899-6880

Natalie MacLellan
Nova Scotia Securities Commission
902-424-8586

Mark Dickey
Alberta Securities Commission
403-297-4481

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Wendy Connors-Beckett
New Brunswick Securities Commission
506-643-7745

Marc Gallant
Prince Edward Island
Office of the Attorney General
902-368-4552

Doug Connolly
Financial Services Regulation Division
Newfoundland and Labrador
709-729-2594

Louis Arki
Nunavut Securities Registry
867-975-6587

Donald MacDougall
Securities Registry
Northwest Territories
867-920-8984

Fred Pretorius
Yukon Securities Registry
867-667-5225

1.4 Notices from the Office of the Secretary

1.4.1 New Life Capital Corp. et al.

FOR IMMEDIATE RELEASE
August 7, 2008

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
NEW LIFE CAPITAL CORP.,
NEW LIFE CAPITAL INVESTMENTS INC.,
NEW LIFE CAPITAL ADVANTAGE INC.,
NEW LIFE CAPITAL STRATEGIES INC.,
1660690 ONTARIO LTD., L. JEFFREY POGACHAR,
PAOLA LOMBARDI AND ALAN S. PRICE

TORONTO – The Commission issued a Temporary Order in the above named matter which provides that pursuant to section 127(6) of the Act this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

A copy of the Temporary Order dated August 6, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
& Public Affairs
416-593-8120

Laurie Gillett
Manager, Public Affairs
416-595-8913

Carolyn Shaw-Rimmington
Assistant Manager,
Public Affairs
416-593-2361

For investor inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.4.2 New Life Capital Corp. et al.

FOR IMMEDIATE RELEASE
August 8, 2008

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
NEW LIFE CAPITAL CORP.,
NEW LIFE CAPITAL INVESTMENTS INC.,
NEW LIFE CAPITAL ADVANTAGE INC.,
NEW LIFE CAPITAL STRATEGIES INC.,
1660690 ONTARIO LTD., L. JEFFREY POGACHAR,
PAOLA LOMBARDI AND ALAN S. PRICE

TORONTO – The Office of the Secretary issued a Notice of Hearing on August 7, 2008 setting the matter down to be heard on August 21, 2008 at 10:00 a.m.

A copy of the Notice of Hearing dated August 7, 2008 and Staff's Statement of Allegations dated August 7, 2008 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
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& Public Affairs
416-593-8120

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 National Bank Securities Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - Approval for a change of control in a manager in accordance with subsection 5.5(2) of National Instrument 81-102 - Mutual Funds and relief from the requirement prescribed by subsection 5.8(1) of NI 81-102 in order to be exempted from sending a notice to all securityholders when a change in control of a fund manager occurs.

Applicable Legislative Provisions

Subsections 5.5(2), 5.8(1) and 19.1 of National Instrument 81-102 - Mutual Funds.

July 14, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUEBEC AND ONTARIO
(the "Jurisdictions")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
NATIONAL BANK SECURITIES INC.
(the "Manager")

AND

NATIONAL BANK MUTUAL FUNDS AND
OMEGA FUNDS LISTED IN SCHEDULE A
(the "Funds" and collectively with the Manager, the "Filers")

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "Decision Maker") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "Legislation") for :

a) approval of the Change In Control (defined below) in accordance with subsection 5.5(2) of National Instrument 81-102 *Mutual Funds* ("NI 81-102") (the "Approval Sought"); and

b) an exemption from the requirement in 5.8(1) of NI 81-102, to provide notice of the Change In Control to all securityholders of the Funds (the "Exemption Sought").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

a) the Autorité des marchés financiers is the principal regulator for this application;

b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("MI 11-102") is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territories and Nunavut; and

c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filers:

Generally

1. The Manager is a corporation governed by the *Canada Business Corporations Act*, with its head office in Montreal, Quebec. It is registered in each province and territory of Canada as a mutual fund dealer and is a member of the Mutual Fund Dealers Association ("MFDA").

2. The Manager is the manager of the Funds.

3. The Manager is directly owned by National Bank Acquisition Holding Inc. ("SPABN") and indirectly wholly-owned by National Bank of Canada ("NBC").

4. Altamira Investment Services Inc. ("AISI") is a corporation governed by the *Canada Business Corporations Act*, with its head office in Montreal, Quebec. AISI is the manager of the mutual funds known as the Altamira Funds and the Meritage Portfolios.

5. AISI is directly owned by Natcan Acquisition Holding Inc. and indirectly wholly-owned by NBC.

6. Altamira Financial Services Ltd. ("AFSL") is a corporation governed by the *Business Corporations Act* (Ontario), with its head office in Toronto, Ontario. AFSL is registered in each province and territory of Canada as a mutual fund dealer and is a member of the MFDA. It is the principal distributor of the Altamira Funds.

7. AFSL is a wholly-owned subsidiary of AISI and an indirect wholly-owned subsidiary of NBC.

8. The Funds are either mutual fund trusts governed under the laws of Ontario or a class of shares of a mutual fund corporation governed under the laws of Canada. Securities of the Funds are distributed in each province and territory of Canada under a simplified prospectus and annual information form dated May 16, 2008, prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and NI 81-102.

9. The Funds are reporting issuers under the applicable securities legislation of each province and territory of Canada and are not on the list of defaulting reporting issuers maintained under applicable securities legislation in those jurisdictions.

Proposed Transaction

10. NBC has reviewed the operations of each of the Manager, AISI and AFSL and has concluded that it would be appropriate to consolidate the activities of AISI and AFSL into the Manager's business model.

11. Subject to any required regulatory approvals and to the approval of the MFDA, it is proposed that, on or about November 1, 2008, each of the Manager, AISI and AFSL will be amalgamated and the resulting entity will be known as "National Bank Securities Inc." (the "Proposed Transaction").

Change In Control

12. Prior to the Proposed Transaction, a number of steps will be undertaken, including the sale by SPABN of all the issued and outstanding common shares of the Manager to AISI in consideration for preferred shares of AISI. As a result of the sale of the common shares by SPABN to AISI, direct control of the Manager will change from SPABN to AISI. Throughout the Proposed Transaction, NBC will remain the ultimate controlling shareholder of the Manager (the "Change in Control").

13. The Change in Control is expected to occur on or about November 1, 2008 and will result in a direct change in control of the Manager for purposes of subsection 5.5(2) of NI 81-102 when AISI will temporarily (prior to the amalgamation of the Manager, AISI and AFSL) become the new direct parent company of the Manager.

14. As there will be no change to the business of the Funds or the Manager after the Proposed Transaction, and as NBC will remain the ultimate parent of the Manager, the Filers are of the view that no material change has occurred in respect of the Funds and accordingly, no press release describing the Change in Control needs to be issued or filed and no material change report or amendment to the simplified prospectus and annual information form of the Funds needs to be filed in accordance with the Funds' continuous disclosure obligations.

15. In addition, the Filers are of the view that providing notice to securityholders of the Funds about the Change In Control will only result in investor confusion, as there is no impact to investors in the Funds as a result of the change.

16. Upon the close of the Proposed Transaction, all current members of the Funds' independent review committee (the "IRC") will:

    a) automatically cease to be members of the IRC by operation of section 3.10(1)(c) of National Instrument 81-107 *Independent Review Committees For Investment Funds* ("NI 81-107"); and

    b) be subsequently reappointed (same day) as members of the IRC by the Manager as contemplated in commentary 2 to section 3.10 of NI 81-107 and pursuant to section 3.3(5) of NI 81-107.

17. In respect of how the Change In Control may affect the management and administration of the Funds:

    a) the current directors and officers of the Manager will remain the same, subject to minor changes that may occur in the normal course of business;

    b) there is no foreseeable intention to change the current portfolio managers of the Funds;

    c) there is no foreseeable intention to change the current members of the IRC;

d) systems, back office, fund accounting and all other administrative functions are expected to continue to be operated in the same manner as currently being deployed by the Funds; and

e) the management fees and operating expenses of the Funds will not change as a result of the Change in Control.

18. Officers and directors of AISI have the requisite integrity and experience as required under section 5.7(1)(a)(v) of NI 81-102.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Approval Sought and the Exemption Sought are granted.

Louis Morisset
Superintendent, Securities Markets
Autorité des marchés financiers

SEDAR Project N° : 1279761

Schedule A

("National Bank Funds")

National Bank Money Market Fund
National Bank Global Equity Fund
National Bank Treasury Bill Plus Fund
National Bank International Index Fund
National Bank U.S. Money Market Fund
National Bank American Index Fund
National Bank American Index Plus Fund
National Bank Corporate Cash Management Fund
National Bank European Equity Fund
National Bank Treasury Management Fund
National Bank European Small Capitalization Fund
National Bank Asia-Pacific Fund
National Bank Mortgage Fund
National Bank Emerging Markets Fund
National Bank Bond Fund
National Bank Dividend Fund
National Bank Quebec Growth Fund
National Bank Global Bond Fund
National Bank Natural Resources Fund
National Bank High Yield Bond Fund
National Bank Future Economy Fund
National Bank Global Technologies Fund
National Bank Monthly Secure Income Fund
National Bank Strategic Yield Class
National Bank Monthly Conservative Income Fund
National Bank Monthly Moderate Income Fund
National Bank/Fidelity Canadian Asset Allocation Fund
National Bank Monthly Income Fund
National Bank/Fidelity True North® Fund
National Bank Monthly High Income Fund
National Bank/Fidelity Global Fund
National Bank Monthly Equity Income Fund
National Bank Retirement Balanced Fund
National Bank Canadian Index Fund
National Bank Canadian Index Plus Fund
National Bank Small Capitalization Fund
National Bank Secure Diversified Fund
National Bank Conservative Diversified Fund
National Bank Moderate Diversified Fund
National Bank Balanced Diversified Fund
National Bank Growth Diversified Fund
National Bank Canadian Equity Fund
National Bank Canadian Opportunities Fund
National Bank Protected Canadian Bond Fund
National Bank Protected Retirement Balanced Fund
National Bank Protected Growth Balanced Fund
National Bank Protected Canadian Equity Fund
National Bank Protected Global Fund

("Omega Funds")

Omega Preferred Equity Fund
Omega Consensus American Equity Fund
Omega Consensus International Equity Fund
Omega High Dividend Fund

2.1.2 Pan African Mining Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

August 6, 2008

Baker & McKenzie LLP
Brookfield Place,181 Bay Street
Suite 2100, P.O. Box 874
Toronto, ON M5J 2T3

Dear Sirs/Mesdames:

Re: Pan African Mining Corp. (the Applicant) – application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.3 0829984 B.C. Ltd. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - The Filers are seeking relief from the following provisions in connection with an agreement made between the joint offerors for purposes of facilitating the creation and organization of the corporate offeror:

Collateral benefit requirement and identical consideration requirement

Collateral benefits - Offeror requires relief from prohibition against certain collateral agreements - Identical consideration - Offeror needs relief from the requirement that all holders of the same class of securities must be offered identical consideration - The parties to the agreement are joint offerors; the parties have entered into an agreement for purposes of facilitating the organization and operation of the corporate offeror and the structuring and making of the offer; under the agreement, one shareholder of the target, who is a joint offeror, will receive shares of the corporate offeror while the other shareholders of the target will receive cash; the business purpose of the offer is to take the target private; this business purpose could not be achieved without the agreement; the agreement does not have the purpose or effect of conferring a special advantage on any shareholder; the agreement is not intended to increase the value of the consideration paid to the joint offeror.

Pre- and post- bid integration requirements and for sales during bids

Post-bid integration - Offeror wants relief from the prohibition on post-bid purchases - Pre-bid integration - Offeror wants relief from the pre-bid integration requirements - Sales during bid – Joint offerors want relief from the prohibition on entering into an agreement to acquire and sell target securities during a bid - The parties have entered into an agreement prior to making the offer for purposes of facilitating the organization and operation of the corporate offeror and the structuring and making of the offer; no special advantage is conferred on any shareholder.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93.1, 93.2, 93.3, 93.4, 97, 97.1, 104(2)(a) and (c).

August 1, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
0829984 B.C. LTD. (the Offeror),
TINPO HOLDINGS INDUSTRIAL COMPANY LIMITED
(TINPO) AND
ANCHORAGE CAPITAL MASTER OFFSHORE, LTD.
(ANCHORAGE)
(collectively, the Filers)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Makers) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the following Take-over bid and issuer bid requirements:

- Restrictions on acquisitions during take-over bid;
- Restrictions on acquisitions before take-over bid (take-over bid consideration to be at least equal to and in same form as highest consideration paid in prior transaction);
- Restrictions on acquisitions after bid;
- Restrictions on sales during bid;
- Identical consideration; and
- Prohibition against collateral agreements

(collectively, the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the British Columbia Securities Commission is the principal regulator for this application;

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in the provinces of Alberta, Manitoba, New Brunswick, Newfoundland, Prince Edward Island, Saskatchewan, Quebec, and

the Yukon, Northwest Territories and Nunavut; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in used in this decision, unless otherwise defined.

Representations

3 This decision is based on the following facts represented by the Filers:

1. Western Prospector Group Ltd. (the **Company**) is incorporated under the *Business Corporations Act* (British Columbia) (the **BCBCA**) and is a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario and is not in default of any requirement of securities legislation in British Columbia, Ontario, Alberta, Manitoba, New Brunswick, Newfoundland, Prince Edward Island, Saskatchewan, Quebec, or the Yukon, Northwest Territories or Nunavut; the common shares of the Company (the **Shares**) are listed on the TSX Venture Exchange; as at July 15, 2008 there were 54,256,062 Shares outstanding;

2. Anchorage beneficially owns and controls 10,257,610 (representing approximately 18.9%) of the outstanding Shares;

3. the Offeror is a corporation newly incorporated under the BCBCA for the sole purpose of making the Offer (as defined below); the Offeror is not a reporting issuer in any jurisdiction in Canada; the authorized share capital of the Offeror is comprised of an unlimited number of common shares, and Tinpo owns all of the outstanding shares of the Offeror;

4. Tinpo is a corporation incorporated under the laws of the British Virgin Islands; Tinpo is not a reporting issuer in any jurisdiction in Canada;

5. Anchorage is a Cayman Islands exempted company incorporated with limited liability; Anchorage is not a reporting issuer in any jurisdiction in Canada;

6. the Offeror is proposing to make a cash offer (the **Offer**) for all of the outstanding Shares, other than Shares (including the Anchorage Shares as defined below) owned by or on behalf of the Offeror, Tinpo, Anchorage or their joint actors on the date of the Offer (the Shares subject to the Offer, the Non-Offeror Shares);

7. neither of the Filers is in default of securities legislation in any jurisdiction;

8. for purposes of the Offer, Anchorage is a joint offeror with the Offeror and Tinpo, such that it would effectively participate in the Offer as a purchaser together with the Offeror and not as a holder of Shares; the required signatories of each of the Offeror, Tinpo, and Anchorage will sign the take-over bid circular (the **Circular**) accompanying the Offer;

9. the Offeror and Tinpo have entered into an agreement with Anchorage (the Anchorage Agreement); pursuant to the Anchorage Agreement, among other things, Anchorage has agreed to irrevocably contribute, contemporaneously with the first take-up of Shares under the Offer and subject to certain conditions, all of its Shares (collectively, the Anchorage Shares) to the Offeror (or an affiliate of the Offeror) in exchange for common shares of the Offeror (or such affiliate);

10. the Anchorage Agreement will require Anchorage to exchange the Anchorage Shares for an equivalent proportion of shares of the Offeror such that Anchorage will maintain its existing ownership interest, from an economic standpoint, in the entity resulting from the completion of the Offer;

11. the purpose of the transactions contemplated by the Anchorage Agreement is also to facilitate the organization of the Offeror and the structuring and making of the Offer and to reduce the amount of cash required by the Offeror to complete the Offer;

12. the Anchorage Agreement is necessary for business purposes relating to the structuring and making of the Offer and is not being implemented or entered into for the purpose of providing Anchorage with consideration of greater value for the Anchorage Shares than that paid for the Non-Offeror Shares;

13. neither the intention nor the effect of the Anchorage Agreement is to provide a collateral benefit to Anchorage;

14. the closing of the transactions contemplated by the Anchorage Agreement will be conditional upon and occur as nearly as practicable contemporaneously with the Offeror taking up and paying for the Non-Offeror Shares under the Offer;

15. none of Anchorage nor any insider of Anchorage will receive any payments, including change of control payments, in connection with the Offer (other than a pro rata share of any break fee payable to the Offeror pursuant to the support agreement between the Offeror and the Company (the **Support Agreement**));

16. the Anchorage Agreement and the conditions and transactions contemplated thereby will be fully described in the Circular accompanying the Offer;

17. other than the Anchorage Agreement and the Support Agreement, no other arrangements, understandings or agreements have been entered into or are contemplated between or among the Company, the Offeror, Tinpo, Anchorage, any or all of their joint actors, or any or all of the other holders of Shares;

18. there is no agreement or understanding among the Filers with respect to any sale by Anchorage of its interest in the Offeror (or an affiliate) to Tinpo following completion of the Offer (subject to customary liquidity provisions to be contained in a unanimous shareholders agreement to be entered into between Tinpo and Anchorage upon contribution of the Anchorage Shares);

19. the Filers have no agreement or understanding to conduct an initial public offering of the Offeror or the Company following completion of the Offering;

20. the Offer will be conditional upon, among other things, sufficient Non-Offeror Shares being tendered to the Offer to assure successful authorization of a going-private transaction following the Offer if the statutory right of compulsory acquisition pursuant to Part 9 – Division 6 of the BCBCA is unavailable; the intent to effect such a going-private transaction will be disclosed in the Circular accompanying the Offer; and

21. the Offer will constitute an insider bid as defined in the Legislation and Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transactions* (MI 61-101) and will be made in compliance with the Act, the Legislation, MI 61-101 and the BCBCA (and the regulations thereunder); the Offer will be exempt from the formal valuation requirement pursuant to section 2.4(1)(a) of MI 61-101.

Decision

4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted.

"Martin Eady, CA"
Director, Corporate Finance
British Columbia Securities Commission

2.1.4 CIBC Private Investment Counsel Inc.

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Coordinated Review – Registered dealer exempted from the requirements of section 36 of the Act, subject to certain conditions, to send trade confirmations for trades that the dealer executes on behalf of client where: client's account is fully managed by the dealer; account fees (excluding administrative charges) paid by the client are based on the amount of assets, and not the trading activity in the account; trades in the account are only made on the client's adviser's instructions and in accordance with client's investment policy statement; the client agreed in writing that confirmation statements will not be delivered to them; confirmations are maintained in dealer's books and records; and the client is sent monthly statements that include the confirmation information.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 36, 147.

August 7, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND NEWFOUNDLAND AND LABRADOR
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CIBC PRIVATE INVESTMENT COUNSEL INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from the requirement to deliver trade confirmations (the **Confirmation Requirement**) to its clients (the **Clients**) who trade in certain mutual funds (the **Exemptive Relief Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

"Accounts" means fully managed accounts.

"Administrative Charges" means charges for minor items such as wire transfer requests, account transfers, withdrawals, de-registration and other administrative services.

"Fixed Percentage Fee" means a non-transactional fee.

"ICPM" means investment counsel and portfolio manager or local equivalent.

"LMD" means limited market dealer.

"Managed Account Agreement" means a written agreement in respect of an Account.

"Offer" has the meaning set out in paragraph 7 below.

"Omitted Information" has the meaning set out in paragraph 8 below.

"Services" means fully managed account services.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of Canada and has its head office in Toronto, Ontario.

2. The Filer is currently registered as an ICPM in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Yukon, Northwest Territories and Nunavut, and as an LMD in Ontario and Newfoundland and Labrador. To the best of its knowledge, the Filer is not in default of securities legislation in any jurisdiction.

3. The Filer provides its Clients with Services that consists of Accounts that will be managed by a representative of the Filer who is licensed as an ICPM in the jurisdiction in which such representative provides the Services. Each of the employees of the Filer who conduct adviser activities in connection with he Services will meet the proficiency requirements of a portfolio manager or associate portfolio manager under the Legislation of the Jurisdiction.

4. To retain the Services of the Filer, the Client:

   (a) enters into a written Managed Account Agreement with the Filer setting out the terms and conditions and the respective rights, duties and obligations of the Client and the Filer; and

   (b) with the assistance of the Filer, completes an investment policy statement that outlines the Client's objectives and level of risk tolerance.

5. Under the Managed Account Agreement:

   (a) the Client grants full discretionary trading authority to the Filer and the Filer is authorized to make investment decisions and to trade in securities on behalf of the Client's Account without obtaining the specific consent of the Client to individual trades, provided such investment decisions and trades are made in accordance with the Client's investment policy statement referred to in paragraph 4(c) hereof;

   (b) the Client agrees to pay a Fixed Percentage Fee calculated on the basis of the assets in the Client's Account which will not be based on transactions effected in the Client's Account; and

   (c) unless otherwise requested by the Client, the Client waives receipt of trade confirmations as required under the applicable Legislation.

6. The Fixed Percentage Fee is not intended to cover Administrative Charges. The Filer provides a list of Administrative Charges information to all Clients.

7. The Filer wishes to make certain mutual funds available on its platform to certain Clients on an exempt basis (the **"Offer"**). In furtherance of the Offer, the Filer would rely on its LMD registration to facilitate these trades.

8. The Filer would provide to each client who is participating in the Offer and has waived receipt of trade confirmations a monthly statement of account that will identify the assets being managed on behalf of the Client and include, for each trade during the period, the information required under the Confirmation Requirement in the applicable Legislation, except the following information (collectively, the **"Omitted Informa-tion"**):

   (a) the date and the name of the stock exchange or commodity future exchange, if any, upon which the transaction took place;

   (b) the fee or other charge, if any, levied by any securities regulatory authority in connection with the trade;

   (c) the name of the salesperson, if any, in the transaction;

   (d) the name of the dealer, if any, used by the Filer as its agent to effect the trade; and

(e) if acting as agent in a trade, the name of the person or company from or to or through whom the security was bought or sold.

9. The Filer will maintain the Omitted Information with respect to a Client in its books and records and make the Omitted Information available to the Client on request.

10. The Filer will make inquiries to learn the essential facts about each Client, to determine the general investment needs and objectives of the Client, the appropriateness of the recommendations made to the Client and the suitability of the proposed transactions for the Client to comply with its "know your client" obligations; to ensure that the investment objectives of the Client are being diligently pursued; and to ensure that the Account is being conducted in accordance with applicable law.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted provided that:

(a) the Client has previously informed the Filer that the Client does not wish to receive trade confirmations for the Client's Accounts; and

(b) in the case of each trade for a Client's account the Filer sends to the Client the corresponding statement of account that include the information referred to in paragraph 8.

"Paulette L. Kennedy"
Commissioner
Ontario Securities Commission

"Lawrence E. Ritchie"
Commissioner
Ontario Securities Commission

SCHEDULE "C"

Table of Concordance & Fees Payable

All section references are to the securities statute in force in the applicable jurisdiction

Jurisdiction	Trade Confirmation Delivery Requirement: Section Reference	Exempting Provision: Section Reference	Fees Submitted
Ontario	s. 36	s. 147	$3,000
Newfoundland and Labrador	s. 37	s. 142.1	$350

2.1.5 Third Avenue Management LLC

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for exemption from formal take-over bid requirements – Filer is a registered investment advisor in the U.S. – prior to recent rights offering by an issuer, Filer exercised control or direction over 35.46% of issuer's common shares – issuer recently issued rights in a rights offering – as part of rights offering, Filer agreed to exercise additional subscription privilege – following rights offering, Filer exercised control or direction over 35.58% of the issuer's shares – Filer wishes to purchase, on behalf of client accounts, shares in the market from time to time, as it considers appropriate – since the Filer exercises control or direction over more than 20% of the outstanding shares, any such purchase of shares would constitute a take over bid – because the Filer recently acquired shares in the rights offering, Filer cannot rely upon the exemptions from the take-over bid provisions that permit the purchase in any twelve-month period of not more than 5% of the shares outstanding at the beginning of such twelve-month period (the normal course purchase exemption) – relief granted provided that Filer complies with normal course purchase exemption, except that for purpose of determining number of shares acquired by Filer, Filer considered as not having acquired any rights offering shares.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93 to 99.1, 100, and 104(2)(c).
Securities Act, R.S.B.C. 1996, c. 418, s. 114(2).
Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids Part 2, s. 4.1.

July 29, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
THIRD AVENUE MANAGEMENT LLC
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) granting the Filer an exemption from the formal take-over bid requirements under the Legislation, in connection with certain purchases by the Filer, on behalf of client accounts, of common shares (the Shares) of Catalyst Paper Corporation (Catalyst) in the market (the Exemptive Relief Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the British Columbia Securities Commission is the principal regulator for this application,

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

2 Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

3 The decision is based on the following facts represented by the Filer:

1. Catalyst is a corporation formed under the laws of Canada; it is a reporting issuer in each of the provinces of Canada; Catalyst's outstanding Shares are listed and posted for trading on the Toronto Stock Exchange;

2. Catalyst's head office is located at 3600 Lysander Lane, 2nd Floor, Richmond, British Columbia, V7B 1C3;

3. the Filer is a registered investment advisor registered under the *U.S. Investment Advisers Act of 1940*, as amended that provides investment advisory services to mutual funds and private and institutional clients; Third Avenue International Value Fund (TAVIX) is a fund in the Third Avenue group of funds, and the Filer is the investment advisor of and to TAVIX;

4. prior to the Rights Offering (defined below), the Filer, as portfolio manager and investment advisor, exercised control or direction over 35.46% of Catalysts' issued and outstanding Shares, of which 18.67% was owned by TAVIX; the Shares over which the Filer exercises control or direction are beneficially owned by client accounts;

5. on March 11, 2008, Catalyst issued rights in a rights offering (the Rights Offering) allowing holders of its Shares to subscribe for up to 167,069,361 subscription receipts, each such subscription receipt entitling the holder to receive one Share upon satisfaction of the release conditions, as set out in the subscription receipt agreement; the final short form prospectus for the Rights Offering is dated February 29, 2008; the subscription price to purchase Shares in the Rights Offering was below the market price of Shares on the Toronto Stock Exchange on the date that the Rights Offering was announced; the Rights Offering was undertaken by Catalyst for the purposes of financing an acquisition of assets; the Rights Offering expired on April 7, 2008;

6. as part of the Rights Offering, pursuant to an oversubscription agreement dated February 10, 2008 (the Oversubscription Agreement), Third Avenue Trust on behalf of TAVIX, agreed that it would exercise its basic subscription privilege in full and it would exercise its additional subscription privilege to subscribe for, after giving effect to its basic subscription privilege, up to but in no event exceeding such number of subscription receipts offered under the Rights Offering as had an aggregate purchase price of $62,500,000 pursuant to and subject to the limitations contained in the Oversubscription Agreement;

7. following the expiry of the Rights Offering, TAVIX was issued 31,190,850 subscription receipts which were convertible into 31,190,850 common shares; the Shares issued to TAVIX in connection with the Rights Offering, when aggregated with the Shares held by the Filer prior to the Rights Offering, represent 35.58% of the issued and outstanding Shares of Catalyst, resulting in the Filer having control or direction over 135,829,481 Shares;

8. the Filer, on behalf of client accounts, proposes to purchase Shares in the market from time to time, as it considers appropriate; any such purchase (a Normal Course Purchase), when aggregated with the other acquisitions of Shares by the Filer, on behalf of client accounts, in the twelve-month period preceding the purchase, other than the acquisition of Rights Offering Shares, would not exceed 5% of the Shares outstanding at the commencement of such twelve- month period;

9. the Filer believes that the Shares represent an attractive investment; as a significant shareholder in Catalyst, the Filer believes that any purchase of Shares would demonstrate such belief, in a tangible fashion, and could provide support for the Shares, which would be of benefit to all of Catalyst's shareholders; the Filer has no present intention of making a bid for all of the Shares or proposing a going private transaction in respect of Catalyst;

10. since the Filer exercises control or direction over more than 20% of the outstanding Shares, any additional purchase of Shares by the Filer on behalf of its client accounts, or by persons acting jointly or in concert with the Filer, would constitute a take over bid under the applicable provisions under the Legislation (the Take Over Bid Provisions);

11. because the Filer recently acquired the Shares in the Rights Offering, the Filer cannot rely upon the exemptions from the Take Over Bid Provisions that permit the purchase in any twelve-month period of not more than 5% of the Shares outstanding at the beginning of such twelve-month period (the Normal Course Purchase Exemption);

12. the Filer is prohibited from purchasing any Shares at any time when the Filer has knowledge of any material fact or material change about Catalyst that has not been generally disclosed.

Decision

4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted to the Filer provided that the purchases by the Filer, on behalf of client accounts, of Shares in the market comply with the Normal Course Purchase Exemption, except that for the purpose of determining the number of Shares acquired by the Filer, on behalf of client accounts, within the twelve-months period preceding the date of any such purchase of Shares in the market, the Filer and its client accounts will be considered as not having acquired any of the Rights Offering Shares in such twelve-month period.

"Martin Eady, CA"
Director, Corporate Finance
British Columbia Securities Commission

2.1.6 Dell Inc.

Headnote

MI 11-102 and NP 11-203 – Application for exemption from issuer bid requirements – U.S. issuer has previously distributed shares under certain employee benefit plans to Canadian-resident employees of the issuer and its affiliates (prior Canadian purchasers) – issuer may have been required to register the shares that were distributed to prior Canadian purchasers in accordance with U.S. securities law requirements – issuer proposing to offer to rescind prior purchases by prior Canadian purchasers – issuer making substantially similar offer to current and former employees in the U.S. – offer not being made generally to security-holders of the issuer in any jurisdiction – registration statements filed with the Securities and Exchange Commission (the SEC) in connection with the Offer include U.S. prospectus that describes terms of Offer – prior Canadian purchasers will receive same information as U.S. residents who are entitled to participate in Offer – issuer bid relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93 to 99.1, 104(2)(c).
Multilateral Instrument 11-102 Passport System.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids.

August 8, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
DELL INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting an offer to rescind the previous purchase of shares of Dell common stock (the **Shares**), par value US$0.01 per share, by persons who acquired such Shares through certain employee plans established by the Filer from the issuer bid

requirements under the Legislation (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, the Yukon, Northwest Territories and Nunavut.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a Delaware corporation incorporated in 1984. The head office of the Filer's Canadian subsidiary, Dell Canada Inc. (**Dell Canada**), is situated in Ontario.

2. The Filer is a not a reporting issuer or the equivalent in any of the provinces or territories of Canada.

3. The Shares are listed on the NASDAQ Stock Market under the trading symbol "DELL" and are registered pursuant to Section 12(b) of the United States *Securities Exchange Act of 1934*.

4. The Filer will offer to rescind the previous purchase of Shares

   (i) through the purchase of units in the Dell Inc. Stock Fund, which include interests in Shares, by participants in the Group Retirement Savings Plan for the Employees of Dell Canada and the Deferred Profit Sharing Plan of Canadian Employees of Dell Canada (collectively, the **Plans**); and

   (ii) through the Dell Inc. Stock Purchase Plan (the **ESPP**) (the **Offer**).

5. The Offer will be extended to persons who acquired Shares indirectly through the Plans between March 31, 2006 and April 3, 2007, and to persons who acquired Shares through the ESPP by payroll deductions during the four quarterly periods ended March 31, 2006, June 30,2006, September 30, 2006 and December 31, 2006 (together the **Purchase Period**).

6. Those entitled to participate in the Offer are current or former employees of the Filer and its affiliates, including Dell Canada, and may be resident in each of the provinces and territories of Canada.

7. The Offer is not being made generally to the Filer's stockholders in any Canadian or foreign jurisdiction.

8. The terms of the Offer provide that any Plan or ESPP participant who purchased and currently holds a security subject to the Offer may relinquish the security in return for a cash payment equal to the participant's purchase price plus interest on the purchase price amount from the purchase date to the expiration date of the Offer. The Offer also provides that any Plan or ESPP participant who purchased and subsequently sold any securities subject to the Offer at a loss may receive an amount in cash equal to the excess of the purchase price over the proceeds of the sale realized, plus the sum of (i) interest on the purchase price amount to the date of the sale at a loss, and (ii) interest on the amount of the loss from the Offer, the Filer is using an annual interest rate of 5.27%, which is calculated on the basis of the highest weekly average 1-year current maturity U.S. Treasury yield in effect at any time during the Purchase Period.

9. The intention of the Offer is to "make whole" those persons who, directly or indirectly, acquired Shares during the Purchase Period, at specified prices, as a consequence of the Filer's inadvertent failure to properly register those Shares with the U.S. Securities and Exchange Commission (the **SEC**) in accordance with U.S. federal securities law.

10. The Filer is making the Offer to ensure compliance with the United States *Securities Act of 1933*, as amended, and to limit any contingent liability it may have as a result of possible non-compliance with applicable U.S. federal registration requirements in connection with the purchase of securities by participants in the Plans and the ESPP.

11. The Filer believes that the sale of securities in Canada and the related trades were properly made in reliance on exemptions from the prospectus and dealer registration requirements of applicable Canadian provincial securities laws, and has been advised by Canadian counsel that availability of those exemptions is unaffected by the U.S. federal securities law considerations described above.

12. The Filer has reviewed with SEC staff its intention to make the Offer, and has filed with the SEC registration statements to register the Shares subject to the Plans and the ESPP.

13. The registration statements filed with the SEC in connection with the Offer each include a U.S. prospectus (one relating to the Plans, the other to the ESPP) that describes the terms of the Offer for participants in the Plans and the ESPP. Residents of Canada will be provided with a copy of the applicable U.S. prospectus and will otherwise receive the same information that is made available to U.S. residents who are entitled to participate in the Offer. The commencement and expiry dates for the offer will be established once the U.S. prospectuses have been finalized. It is expected that the Offer will be open for acceptance for 30 to 35 days from the date it is made.

14. Participants in the Plans and the ESPP may change their elections relating to acceptance of the Offer prior to the expiry time. The U.S. prospectuses will contain detailed information on how to confirm acceptance of the Offer or to change an election, as well as contact details to request assistance or additional information with respect to the Offer.

15. Participants in the Plans and the ESPP resident in Canada will be entitled to participate in the Offer on terms at least as favourable as the terms that apply to U.S. residents who are entitled to participate in the Offer. Acceptance of the Offer is voluntary.

16. But for the fact that the Offer is not made to the "general body of security holders", it would be exempt from the substantive requirements applicable to issuer bids under the Legislation.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted.

"Paul K. Bates"
Commissioner

"Wendell S. Wigle"
Commissioner

2.1.7 Promutuel Capital Trust Company Inc. and Promutuel Capital Financial Services Firm Inc.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications In Multiple Jurisdictions – National Instrument 33-109 – Registration Information (NI 33-109) – relief granted from the requirements of sections 2.2, 3.3, 4.3 and 5.2 of NI 33-109 in order to take advantage of the bulk transfer exemption provisions of Policy Statement/Companion Policy 33-109CP to NI 33-109.

Applicable Ontario Statutory Provisions

National Instrument 33-109 Registration Information.

May 30, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(the "Jurisdictions")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
PROMUTUEL CAPITAL TRUST COMPANY INC.
("Promutuel Capital")

AND

IN THE MATTER OF
PROMUTUEL CAPITAL FINANCIAL SERVICES FIRM INC.
(THE "SUB")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions ("**Decision Maker**") has received an application from Promutuel Capital and the Sub (together the "**Filers**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for relief from the requirements of Sections 2.2, 3.3, 4.3 and 5.2 of National Instrument 33-109 – *Registration Information* ("**NI 33-109**") in order to take advantage of the bulk transfer exemption provisions of Policy Statement/Companion Policy 33-109 CP to NI-33-109 ("**33-109 CP**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions for a dual application:

(a) the Autorité des marches financiers of Québec is the principal regulator for this application;

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, as well as in the Northwest Territories; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, National Instrument 31-102 *National Registration Database* ("**NI 31-102**") and NI 33-109 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by Promutuel Capital and the Sub:

1. The Parent is a trust company whose head office is located at 1091, Grande Allée Ouest, Québec, Québec G1S 4Y7.

2. The parent is duly registered with the Autorité des marchés financiers du Québec and carries on its trust activities in Québec only. The Parent is also registered as a multi-sector firm under an *Act respecting the distribution of financial products and services* (Québec) and holds NRD account number 20040.

3. The Parent currently has approximately 400 registered representatives and permitted individuals registered with the Autorité under the Parent's NRD account number. These employees may be classified in three groups by time of arrival:

   (a) approximately 80 representatives who joined the Parent on an individual basis from time to time since the inception of the Parent's mutual fund dealer business in 1999;

   (b) approximately 150 representatives who joined the Parent by way of a bulk transfer from Gestion du Patrimoine Tandem inc. ("**Tandem**") in 2005;

   (c) approximately 170 representatives registered as mutual fund representatives who have joined the Parent by way of a bulk transfer from Triglobal Capital Management Inc. ("**Triglobal**") under a Purchase and Sale Agreement dated January 18, 2008.

   All of the representatives in groups (a) and (b) carry on their activities in Québec only and represent 60% of the total number of about 380 representatives acting in the name of the Parent.

   Representatives being transferred to the Parent from Triglobal carry on part of their activities in Québec and part in jurisdictions outside Québec, as follows as of the date hereof:

Jurisdiction	Number of client	Percentage of client in jurisdiction
British Columbia (x)	52	.150%
Alberta (x)	60	.173%
Saskatchewan	3	.009%
Manitoba (x)	31	.089%
Ontario (x)	1298	3.747%
New Brunswick	8	.023%
Nova Scotia (x)	12	.035%
Newfoundland and Labrador	1	.003%
Northwest Territories	0	0%
Total clients with Promutuel Capital	34,638	

   This is total number of clients served by Promutuel Capital without taking into account potential departures to follow representatives that have already left in Ontario.

   (d) Currently, there are 10 permitted individuals under the Parent's NRD number who are officers and employees of the Parent related to the Parent's regulated activities; these permitted individuals are all residents of Québec;

4. The Parent is arranging for the assignment to the Sub of its registered business together with the registered representatives, permitted individuals, other employees and supporting equipment dedicated to such activities.

5. The Sub was constituted on January 21, 2008 under the name of 9192-0298 Québec inc., which name was changed on March 4, 2008 to its current one.

6. The address of the head office of the Sub is located at 1091, Grande Allée Ouest, Québec, Québec, G1S 4Y7.

7. The Sub submitted to the Autorité an application to be registered as a multi-sector firm, including in the growth savings plan sector (mutual fund dealer), on April 18, 2008 and has filed on May 9, 2008 an application under NI 31-101 to use the National Registration System and to be given an NRD number under NI 31-102. The Sub is in the process of obtaining an NDR account number.

8. the number of mutual fund representatives to be transferred across Canada is significant (400);

9. the number of mutual fund representatives that are located in Québec is significant (380), certain of these representatives are also registered in other provinces: 6 in British Columbia, 10 in Alberta, 1 in Manitoba, 55 in Ontario, 4 in Nova Scotia;

10. the number of mutual fund representatives located outside Québec aggregate 10 in Ontario. Of these representatives, 5 are also registered in Québec;

11. The Filers are not in default of securities legislation in any Jurisdiction.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the Filers make acceptable arrangements with CDS INC. for the payment of the costs associated with the bulk transfer, and make such arrangement in advance of the bulk transfer.

“Mario Albert”
Surintendant Distribution

2.1.8 Creststreet Power & Income Fund LP

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

August 12, 2008

McCarthy Tetrault LLP
Box 48, Suite 5300
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Amrit Sidhu

Dear Sirs/Mesdames:

Re: Creststreet Power & Income Fund LP (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.9 CIBC Asset Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - Coordinated Review - Extension of prospectus lapse date by 15 days to allow final prospectus of funds to reflect integration of two different record-keeping systems into one - Extension of lapse date will not affect the accuracy of the information contained in the prospectus - Securities Act (Ontario).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, s. 62(5).

August 8, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,
NOVA SCOTIA, PRINCE EDWARD ISLAND,
NEWFOUNDLAND AND LABRADOR,
NORTHWEST TERRITORIES,
YUKON AND NUNAVUT
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CIBC ASSET MANAGEMENT INC.
(the "Filer")

AND

IN THE MATTER OF
THE RENAISSANCE INVESTMENTS FAMILY
OF FUNDS LISTED IN APPENDIX "A"
(the "Funds")

DECISION

Background

The securities regulatory or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the time limits for the renewal of the simplified prospectus of the Funds dated August 20, 2007, as amended (the "**Prospectus**") be extended to those time limits that would be applicable if the lapse date of the Prospectus was September 5, 2008 (the "**Exemption Sought**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Makers.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation established under the laws of Ontario and is the manager and trustee of each of the Funds.

2. The Funds are open-ended mutual funds trusts established under the laws of the Province of Ontario pursuant to an amended and restated master declaration of trust dated as of June 27, 2006, as further amended.

3. Each of the Funds is a reporting issuer in each of the Jurisdictions and, to the knowledge of the Filer, is not in default in any of the Jurisdictions of any requirements of applicable securities legislation.

4. Each of the Funds currently distributes its securities in each of the Jurisdictions on a continuous basis pursuant to a simplified prospectus and annual information form dated August 20, 2007, as amended by amendment no. 1 dated January 4, 2008, amendment no. 2 dated April 21, 2008 and Amendment no. 3 dated May 1, 2008, which have been filed and receipted in each of the Jurisdictions (collectively, the "**Prospectus**").

5. Pursuant to the Legislation, the lapse date (the "**Lapse Date**") for the distribution of securities of the Funds is August 20, 2008.

6. Pursuant to the Legislation, provided a pro forma simplified prospectus is filed 30 days prior to August 20, 2008 (July 21, 2008), a final version is filed by August 30, 2008, and a receipt for the simplified prospectus is issued by the securities regulatory authorities by September 9, 2008, the securities of the Funds may continue to be distributed after the Lapse Date.

7. The Filer is the registrar and transfer agent of the Funds and maintains records of all unitholders of

the Funds. Records of unitholders of the Funds are maintained under two different record-keeping systems (collectively, the "**Platforms**" and individually, a "**Platform**"), one located in Montréal and known as the TAS platform ("**TAS Platform**") and one located in Toronto and known as the Unitrax Platform ("**Unitrax Platform**"). The Platform under which the records are maintained depends on the fund codes used at the time of a purchase, switch or redemption order.

8. Information about the use of two different Platforms and their differences is provided under the section "Purchases, Switches and Redemptions" and other sections of the Prospectus. Examples of differences are the type of purchase options available on a Platform, the location of the record-keeping system, and the ways optional services are offered.

9. To increase operational efficiency, reduce operating costs for the Funds and other mutual funds managed by the Filer through consolidation of unitholder record-keeping, and improve ease of access to the dealers and ultimately their clients, the Filer has decided to integrate the two Platforms into one Platform commencing on September 12, 2008 (the "**Conversion**"). The Conversion shall be completed over the weekend and the Filer's system should be operational by Monday September 15, 2008.

10. The Filer is requesting the Exemption Sought in order that the final prospectus reflects the Conversion of the two Platforms, including the removal of any of the disclosure about the TAS Platform and the use of two different Platforms. If the Exemption Sought is granted, it is expected that the Filer will file a final simplified prospectus and annual information form on September 15, 2008, (the "**Renewal Prospectus**") following the completion of the Conversion. It is also expected that the Filer will file a pro forma and preliminary simplified prospectus and annual information form on July 21st, 2008 (the "**Pro Forma Prospectus**"). The Pro Forma Prospectus will be drafted on the basis that the Conversion has occurred.

11. There have been no material changes in the affairs of any of the Funds since the filing of the Prospectus other than those for which amendments have been filed. Accordingly, the Prospectus and the amendments thereto represent the current information regarding each of the Funds.

12. If the Exemption Sought is not granted, the Renewal Prospectus will require amendments, likely within 6 days of obtaining the receipt. The financial costs and time involved in preparing, filing and printing both the Renewal Prospectus and an amended simplified prospectus and annual information form would be unduly costly.

13. The requested Exemption Sought is for a limited period of two weeks and a half.

14. The requested Exemption Sought will not affect the accuracy of the information contained in the Prospectus and therefore will not be prejudicial to the public interest.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted.

"Darren McKall"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

APPENDIX "A"

Renaissance Investments family of funds

Renaissance Money Market Fund
Renaissance Canadian T-Bill Fund
Renaissance U.S. Money Market Fund
Renaissance Canadian Income Fund
Renaissance Canadian Bond Fund
Renaissance Canadian Real Return Bond Fund
Renaissance Optimal Income Portfolio
Renaissance Canadian High Yield Bond Fund
Renaissance Global Bond Fund
Renaissance Canadian Balanced Fund
Renaissance Canadian Balanced Value Fund
Renaissance Canadian Asset Allocation Fund
Renaissance Canadian Monthly Income Fund
Renaissance Diversified Income Fund
Renaissance Millennium High Income Fund
Renaissance Canadian Dividend Income Fund
Renaissance Dividend Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Growth Fund
Renaissance Canadian Small-Cap Fund
Renaissance Millennium Next Generation Fund
Renaissance U.S. Equity Value Fund
Renaissance U.S. Equity Growth Fund
Renaissance U.S. Index Fund
Renaissance International Index Fund
Renaissance International Equity Fund
Renaissance Global Markets Fund
Renaissance Global Multi Management Fund
Renaissance Global Value Fund
Renaissance Global Growth Fund
Renaissance Global Focus Fund
Renaissance Global Small-Cap Fund
Renaissance European Fund
Renaissance Asian Fund
Renaissance China Plus Fund
Renaissance Emerging Markets Fund
Renaissance Global Infrastructure Fund
Renaissance Global Health Care Fund
Renaissance Global Resource Fund
Renaissance Global Science & Technology Fund

2.1.10 CMC Markets UK Plc - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief – Application by UK-based issuer (Filer) for short form prospectus eligibility relief in connection with Filer's proposed offering of "contracts for difference" (CFDs) to investors by way of a shelf prospectus through its internet platform – Filer will be the issuer of the CFDs – Filer's Canadian affiliate dealer (Dealer) will be the primary distributor of its CFDs to Canadian investors – Filer and Dealer propose to offer CFDs through its internet platform in a similar manner to a discount brokerage – Filer currently offers CFDs to "accredited investors" in Canada through its internet platform in reliance on exemption in NI 45-106 Prospectus and Registration Exemptions – Filer wishes to expand this platform to include non-accredited investors – Filer proposing to file a short form shelf prospectus in connection with its offering of CFDs and will become a reporting issuer – Filer proposes to meet the full, true and plain disclosure requirement by the combination of disclosure in the base shelf prospectus and the prospectus supplement in a similar manner to recent prospectus offerings of linked notes – Filer intends to generally follow guidance in CSA Staff Notice 44-304 Linked Notes Distributed Under Shelf Prospectus System – Filer is extensively regulated in the UK by the Financial Services Authority and will be regulated as a reporting issuer in the jurisdictions – Dealer is registered as an investment dealer and is a member of IIROC – relief granted subject to conditions.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, s. 7.2(2).
National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.2(b) and (e).
National Instrument 44-102 Shelf Distributions.
National Instrument 45-106 Prospectus and Registration Exemptions.

August 8, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA,
ONTARIO, NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND,
NEWFOUNDLAND AND LABRADOR,
NORTHWEST TERRITORIES AND NUNAVUT
TERRITORY
(the Jurisdictions)**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

IN THE MATTER OF
CMC MARKETS UK PLC
(the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that

1. the requirement under section 2.2(b) of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) that the Filer be a reporting issuer in at least one Jurisdiction and the requirement under section 2.2(e) of NI 44-101 that the Filer have its equity securities listed and posted for trading on a short form eligible exchange (collectively, the **Qualification Requirement**); and

2. the requirement under section 7.2(2) of National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) that the Filer obtain a rating, on a provisional or final basis from at least one approved rating organization for a non-fixed priced offering (the **Non-Fixed Price Offering Requirement**);

shall not apply to the Filer in connection with its proposed offering of contracts for differences (**CFDs**) in Canada (the **Offering**) by way of Shelf Prospectus (as described below) (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

The Filer

1. The Filer is a company organized under the laws of England and Wales with its principal offices in London, United Kingdom. Founded in 1989, the Filer is an established international on-line trading company which, with its affiliates, offers CFDs to a broad range of investors in many countries.

2. The Filer is a privately held company, controlled indirectly by its principal founder, Mr. Peter Cruddas and members of his family. CMC Markets Plc is the ultimate parent company of the Filer.

3. The Filer and its affiliates (**CMC Markets**) have offices that offer CFDs in 12 countries including the United Kingdom, Australia, Austria, Canada, China, Germany, Hong Kong, Ireland, Japan, New Zealand, Sweden and Singapore (with 23 global offices and in excess of 1000 staff). CMC Markets handled over 20.1 million trades during the period from March 31, 2007 to March 31, 2008 (the Filer's most recently completed financial year) with the trades executed having a total value of over US$1.4 trillion.

4. The Filer is not currently a reporting issuer in any Jurisdiction. If the Requested Relief is granted, the Filer will become a reporting issuer in each of the Jurisdictions upon the issuance of a receipt for the final Base Shelf Prospectus (as described below) and will become subject to the continuous disclosure obligations and other requirements under the Legislation.

5. None of the Filer or any of its affiliates has any securities listed or quoted on an exchange or marketplace in any jurisdiction inside or outside of Canada.

CMC Canada

6. The Filer has established a Canadian dealer affiliate, CMC Markets Canada Inc. (**CMC Canada**), to act as a dealer for CFDs issued by the Filer to Canadian investors. The ultimate parent company of CMC Canada is CMC Markets Plc and is therefore an affiliate of the Filer. CMC Canada is a corporation amalgamated under the laws of Canada with its principal office in Toronto, Ontario.

7. The Filer currently offers CFDs to "accredited investors" (as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*) (NI 45-106) in Canada on a private placement basis through CMC Canada as dealer and predominantly through the Filer's **Market***maker*® on-line trading platform. The Filer's on-line trading platform software can be downloaded from http://www.cmcmarkets.com.

8. The Filer is not, to the best of its knowledge, in default of any requirements of the Legislation, including requirements relating to the filing of forms and payment of fees relating to the distribution of securities in reliance on the accredited investor exemption in NI 45-106.

9. The Filer is proposing to offer CFDs to investors, including retail investors, by way of a Base Shelf Prospectus (as described below) and is seeking the Requested Relief in connection with the Offering.

10. In connection with the proposed Offering, CMC Canada has applied for membership with the Decision Makers in each the Jurisdictions to become registered as a dealer in the category of "investment dealer". CMC Canada is currently registered as an investment dealer with the Ontario Securities Commission, British Columbia Securities Commission and Autorité des marchés financiers. Prior to March 3, 2008, CMC Canada was registered in Ontario as a dealer in the category of "limited market dealer", and had operated in such capacity since April 2002.

11. Similarly, in connection with the proposed Offering, CMC Canada applied for membership with the Investment Industry Regulatory Organization of Canada (**IIROC**) (formerly the **Investment Dealers' Association** or **IDA**). CMC Canada's membership application was approved by the IDA Board of Directors on January 30, 2008 and became effective as of March 3, 2008 following a transition period.

Structure of CFDs

12. A CFD is a derivative product that allows investors to obtain economic exposure to the price movement of an underlying financial instrument, such as a share, index, market sector, currency, treasury or commodity, without the need for ownership and physical settlement of the underlying financial instrument.

13. CFDs issued by the Filer are distributed over-the-counter (**OTC**) and are not transferable.

14. CFDs do not confer ownership of the underlying financial instrument. Rather, a CFD is an agreement between the Filer and an investor to exchange the difference between the value of the underlying financial instrument at the opening of a position and the value of the same financial instrument at the closing of the position. These values are generally reflective of the prices at which the underlying financial instrument is traded at the time of opening and closing the position in the CFD.

15. CFDs allow investors to take a long or short position on an underlying financial instrument, but unlike futures contracts they have no fixed expiry date or standard contract size.

16. CFDs allow investors to obtain exposure to volumes, markets and instruments that may not be available directly, or may not be available in a cost-effective manner. CFDs typically have

    (a) execution costs ranging from 0.2-0.25% (calculated on size of the position and charged on opening and closing the position and including spreads and, for certain instruments, commissions), and

    (b) no physical settlement of the underlying financial instrument and therefore no clearing, settlement and custody charges, no stock borrowing costs for short contract positions and no stamp duty (applicable in certain foreign jurisdictions, such as the United Kingdom).

    To the extent that investors are able to obtain long or short positions in an underlying financial instrument, CFDs can also serve as a tool for hedging this direct exposure.

17. The ability to lever an investment is one of the principal features of CFDs. Leverage allows investors to magnify investment returns (or losses) by reducing the initial capital outlay required to achieve the same market exposure that would be obtained by investing directly in the underlying financial instrument. CFDs offered in Canada generally employ the same degree of leverage as traditional margin accounts for long and short positions in securities. However, the degree of leverage may be increased in accordance with IIROC rules in force from time to time.

18. CFDs are currently available to retail investors without a prospectus in OTC markets in the United Kingdom, Germany, Switzerland, Singapore, Australia and New Zealand. With the implementation of the European Markets in Financial Instruments Directive in November 2007, CFDs are now considered "core" investment services and activities that registered investment firms can offer throughout Europe (via a "passport system" of securities regulation).

CFDs Distributed in Canada

19. Certain types of CFDs may be considered to be "securities" under the Legislation.

20. CFDs issued by the Filer are currently distributed through CMC Canada to accredited investors in the Jurisdictions on a private placement basis and are therefore not qualified by a prospectus.

21. CMC Canada and the Filer wish to offer CFDs to retail investors in all of the Jurisdictions. Subject to obtaining the Requested Relief, the Filer proposes to file a short form base shelf prospectus in accordance with NI 44-101 and National Instrument 44-102 *Shelf Distributions* (**NI 44-102**) containing the disclosure required of a short form prospectus prepared in accordance with Form 44-101F1 but which also includes

additional disclosure required for a long form prospectus prepared in accordance with NI 41-101 and Form 41-101F1 to qualify CFDs issued by the Filer for distribution to retail investors in the Jurisdictions (the **Base Shelf Prospectus**).

22. The Filer will file pursuant to NI 44-102 one or more shelf prospectus supplements (the **Supplements**) to provide full, true and plain disclosure in respect of the CFDs offered by the Filer, including a description of the underlying financial instrument(s) eligible for CFDs.

23. The Filer proposes to meet the full, true and plain disclosure requirement by the combination of disclosure in the Base Shelf Prospectus and the Supplements in a similar manner to other prospectus offerings of derivatives, including prospectus offerings of "linked notes". The Filer intends to follow the guidance in CSA Staff Notice 44-304 *Linked Notes Distributed Under Shelf Prospectus System*.

24. The Filer anticipates that it will file a Supplement for each type of CFD that IIROC has approved for distribution by CMC Canada to Canadian clients. Accordingly, the Filer intends to initially file a prospectus supplement for CFDs in respect of each of the following underlying instruments:

- shares (**Share CFDs**) and other listed securities including exchange traded funds (**ETF CFDs**);
- indices (**Index CFDs**);
- commodities such as metals, oil, gas and others (**Commodity CFDs**);
- treasuries (**Treasury CFDs**); and
- foreign exchange (**FX CFDs**).

The Filer has agreed that, notwithstanding the issuance of a final receipt for the Base Shelf Prospectus, it will pre-clear with the Decision Makers each of the initial Supplements described above.

Satisfaction of the registration requirement

25. Investors wishing to purchase CFDs must open an account with CMC Canada and complete a principal contract with CMC UK.

26. Investor's will purchase CFDs through the Filer's "MarketMaker" on-line trading platform. The Filer's on-line platform is similar to those developed for on-line brokerages and day-trading in that the investor trades without other communication with, or advice from, the dealer. The Filer's on-line trading platform is not a "marketplace" as defined in National Instrument 21-101 *Marketplace Operation* since a marketplace is any facility that brings together multiple buyers and sellers by matching orders in fungible contracts in an on-discretionary manner. The Filer's on-line trading platform does not bring together multiple buyers and sellers rather it is a market maker that quotes the buy and sell price of a CFD offered by the Filer to the investor.

27. The role of CMC Canada will be limited to acting as an execution-only dealer, as it currently does in connection with private placements of CFDs. In connection with its role as execution-only dealer, CMC Canada will, among other things, be responsible for marketing, trade execution, administration of account opening and investor approval (including know-your-client diligence and suitability confirmations) for all Canadian clients.

28. IIROC rules exempt member firms that provide execution-only services such as discount brokerage from the obligation to determine whether each trade is suitable for the client. However, IIROC has exercised its discretion to impose additional requirements on members proposing to issue CFDs and requires that:

(a) Applicable risk disclosure documents and client suitability waivers provided must be in a form acceptable to IIROC.

(b) The firm's policies and procedures, amongst other things, must assess the depth of investment knowledge and trading experience of the client to assess whether the CFD product itself is appropriate for the client before an account is approved to be opened. IIROC has also imposed its proficiency requirements for futures trading on CMC Canada's registered salespeople, who will conduct the know your client and initial product suitability analysis, as well as their supervisory trading officer.

(c) The relationship and responsibilities, including conflicts of interest between the issuer and dealer, must be fully disclosed to the client and acknowledged in writing.

(d) Cumulative loss limits for each client's account must be established (this is a measure normally used by IIROC in connection with futures trading accounts).

29. The CFDs offered under the Base Shelf Prospectus will be offered in compliance with the leverage (margin) rates approved by IIROC. IIROC has prescribed margin limits for CFDs based on IIROC methodologies and principles as applied to existing products offered in Canada (particularly Montreal Bourse single stock futures).

30. IIROC limits the underlying instruments in respect of which member firm may issue CFDs since only certain securities are eligible for reduced margin rates. For example, underlying equity securities must be listed or quoted on certain "recognized exchanges" (as that term is defined in IIROC rules) such as TSX or the NYSE. The purpose of these limits is to ensure that CFDs offered in Canada will only be available in respect of underlying instruments that are traded in well-regulated markets, in significant enough volumes and with adequate publicly available information, so that investors can form a sufficient understanding of the exposure represented by a given CFD.

31. Unlike recognized clearing organizations that act as a central counterparty and guarantee the performance and payment obligations of contract positions to all its participants, CMC Canada has no obligations in the event of credit default by CMC UK or the investor, except to manage the flow of money between the two parties to the principal contract.

32. The CFDs offered under the Base Shelf Prospectus will be the only securities issued by the Filer that are distributed to retail investors in the Jurisdictions.

FSA regulatory regime applicable to the Filer

33. The Filer is authorized and regulated by the Financial Services Authority (the **FSA**) in the United Kingdom. The Filer is currently registered as a BIPRU 730k firm with the FSA. The Filer is licensed to act as principal to its clients in the products offered and may deal with all categories of clients, including directly with retail investors. Furthermore, CMC Markets plc (the ultimate parent company of the Filer) is regulated on a consolidated basis in the UK by the FSA.

34. In order for a firm to be authorized and regulated by the FSA, the FSA must be satisfied that the firm meets certain threshold conditions prescribed by the *Financial Services and Markets Act 2000*. In similar fashion to reviews conducted by securities regulatory authorities in each of the Jurisdictions, the FSA reviews the firm's legal status, location of offices, adequacy of resources and suitability. In order to remain authorized, a registered firm must demonstrate its continuing compliance with these conditions.

35. As an FSA-regulated firm, the Filer is required to comply with certain rules of the FSA (the **FSA Rules**). The FSA Rules seek to ensure that regulated firms satisfy certain minimum business standards. These minimum business standards include the requirement that the Filer maintain adequate financial resources at all times, so that the Filer is able to meet its liabilities as they fall due. The FSA requires the Filer to maintain capital resources equal to or in excess of its base capital requirement plus a firm specific variable capital requirement to address market, capital and operational risks. The Filer monitors its regulatory capital on a daily basis (or more frequently depending on market conditions).

36. The FSA also requires the Filer to

    (a) file financial reports on a monthly basis with the FSA;

    (b) immediately notify the FSA of any breach of the capital adequacy requirement; and

    (c) submit its audited financial statements within three months of the financial year end together with an annual return and reconciliation of the annual return to the audited financial statements.

37. The Filer is required to comply with the Capital Requirements Directive (the **CRD**) which implemented the revised Basel Framework. CRD is based on three "pillars" which collectively provide for an overall framework for prudential supervision of banks, credit institutions and investment firms throughout Europe. Pillar 1 revises existing minimum regulatory capital standards for three major components of risk that investment firms face: credit, market and operational risk. The Filer is required under CRD to assess the amount of internal capital that it considers adequate to cover all of the risks to which it is, or is likely to be, exposed. CRD will require, in future, that the Filer publish key information about its underlying risks, models, controls and capital positions.

38. Although securities issued by the Filer are distributed to investors in the United Kingdom and other foreign jurisdictions, the Filer does not qualify for relief available to "designated foreign issuers" under Part 5 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**) as it is not subject to "foreign disclosure requirements" (as defined under NI 71-102) due to the fact that its filings with the FSA are not publicly disclosed.

Rationale for the Requested Relief

Qualification Requirement

39. The Filer has determined that the most appropriate method to qualify the proposed Offering of CFDs to retail investors is by way of a base shelf prospectus because

    (a) CFDs are in continuous distribution,

(b) most CFDs are of short duration (positions are generally opened and closed on the same day and are in any event marked to market and cash settled daily), and

(c) there are frequent changes to the array of available underlying financial instruments.

40. The Filer could become a reporting issuer in one of the Jurisdictions by filing a non-offering long form prospectus or applying to be deemed a reporting issuer and would therefore not require the Qualification Relief requested in respect of section 2.2(b) of NI 44-101. However, given the need for Qualification Relief in respect of section 2.2(e) of NI 44-101 in order for the Filer to qualify to distribute securities under a short form prospectus and the fact that any disclosure provided in a non-offering prospectus or in connection with an application to become a reporting issuer would be repeated in the short form prospectus utilized by the Filer to qualify the distribution of CFDs, it would be unnecessarily burdensome to require the Filer to file a non-offering long form prospectus or otherwise become a reporting issuer in one of the Jurisdictions immediately prior to filing its short form prospectus.

41. The Filer submits that providing the disclosure contained in a short form prospectus prepared in accordance with Form 44-101F1 which includes the additional disclosure required for a long form prospectus, as applicable to the Offering, prepared in accordance with NI 41-101 and Form 41-101F1 and filing such prospectus as a short form base shelf prospectus in accordance with NI 44-101 and NI 44-102, would be an effective and efficient means of qualifying CFDs for distribution in the Jurisdictions.

Non-Fixed Price Offering Requirement

42. Due to the nature of CFDs, the price at which a CFD will be offered to investors will be reflective of the market price of the underlying financial instrument at the time of opening and closing positions, and CFDs cannot be offered at a fixed price. To the best of the Filer's knowledge, no approved rating organizations provide ratings for CFDs. The Filer is therefore unable to comply with the requirement under section 7.2(1) of NI 41-101 to distribute securities under a prospectus at a fixed price and is unable to rely on the exemption from the fixed price requirement under section 7.2(2) of NI 41-101.

43. The Filer submits that due to the nature of CFDs it would not be in the public interest to require that CFDs receive a rating from an approved rating organization. Such ratings are generally provided to give investors an indication of an issuer's ability to sustain interest, dividend or other distributions linked to the issue price of a security. In contrast CFDs are not issued with any promise or projection of a fixed return that is correlated with their issue price. The return on CFDs is correlated with the price movement of an underlying financial instrument over which the Filer, as the issuer of CFDs, exerts no control or influence. The value of the CFD depends on the covenant of the Filer, as issuer, to pay the amount, if any, payable under the CFD. The Filer would be required under the FSA Rules to cease issuing CFDs if the Filer fails to maintain adequate financial resources at all times. As discussed above, under the current FSA Rules, the Filer is required to maintain at all times capital resources equal to or in excess of its base capital requirement plus a firm specific variable capital requirement to address market, capital and operational risks (the **Required Regulatory Capital**). The Filer monitors its Required Regulatory Capital on a daily basis (or more frequently depending on market conditions). The Filer submits that due to the regulatory oversight imposed by the FSA, its financial position is constantly reviewed in a manner which should provide sufficient comfort to the Decision Makers and Canadian retail investors.

44. Based on the foregoing and in the absence of any ratings by approved rating organizations for CFDs, it should not be prejudicial to the public interest to provide the requested relief from the Non-Fixed Price Offering Requirement.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that

(a) the Filer creates a filer profile on SEDAR (as defined in National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval* (**NI 13-101**)), and takes any other steps required to become an electronic filer under NI 13-101;

(b) the preliminary Base Shelf Prospectus and the final Base Shelf Prospectus are prepared in accordance with the Legislation, including the short form prospectus requirements of NI 44-101 and the requirements set out in Form 44-101F1; the shelf prospectus requirements of NI 44-102 and the disclosure required for a long form prospectus prepared in accordance with NI 41-101 and the requirements set out

in Form 41-101F1, as applicable, except as otherwise permitted by the securities regulatory authorities in each of the Jurisdictions;

(c) the preliminary Base Shelf Prospectus and final Base Shelf Prospectus will include the audited annual financial statements and unaudited interim financial statements required to be included in a long form prospectus pursuant to Part 4 of NI 41-101 and Item 32 of Form 41-101F1;

(d) the Filer files a certificate dated as of the date of the preliminary Base Shelf Prospectus, executed on behalf of the Filer by one of its executive officers, certifying that (a) the Filer has satisfied the criteria set out in s. 2.2(a) of NI 44-101, (b) the Filer is not a reporting issuer in any Jurisdiction and therefore is not required to file any periodic and timely disclosure documents, (c) the Filer has relied on the exemption from the criteria set out in s. 2.2(d) of NI 44-101, and (d) the Filer is exempt from the criteria set out in ss. 2.2(b) and (e) of NI 44-101 pursuant to the Decision of the Decision Makers;

and for so long as,

(e) the Filer complies with National Instrument 51-102 *Continuous Disclosure Obligations* and incorporates by reference into the Base Shelf Prospectus, by means of a statement to that effect, the documents set forth in item 11 of Form 44-101F1.

"Jo-Anne Matear"
Assistant Manager, Corporate Finance Branch
Ontario Securities Commission

2.1.11 Khan Resources Inc.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions and Multilateral Instrument 11-102 Passport System Take-over Bid - Exemption from certain formal take over bid requirements in Part XX of the Securities Act - Identical consideration - Issuer needs relief from the requirement Act that all holders of the same class of securities must be offered identical consideration - Under the bid, Canadian resident shareholders may receive shares, cash, or a combination of both; US resident shareholders will receive substantially the same value as Canadian shareholders, in the form of cash paid to the US shareholders based on the proceeds from the sale of their shares; the number of shares held by US residents is *de minimis*.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 97(1), 104(2)(c).

August 8, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
KHAN RESOURCES INC.
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement in Section 2.23(1) of MI 62-104 and in Section 97(1) of the *Securities Act* (Ontario) to offer identical consideration to all holders of the same class of securities subject to a take-over bid in connection with the Filer's take-over bid for all of the outstanding common shares (Western Prospector Shares) of Western Prospector Group Ltd. (Western Prospector) (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the British Columbia Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Newfoundland & Labrador, Prince Edward Island, the Northwest Territories, Nunavut and Yukon; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

3 The decision is based on the following facts represented by the Filer:

1. the Filer is a corporation existing under the *Business Corporations Act* (Ontario); the registered and head office of the Filer is located in Toronto, Ontario;

2. prior to the filing of its take-over bid circular for the Western Prospector Shares, the Filer was a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario; as a result of the filing of its securities exchange take-over bid circular, the Filer is now also a reporting issuer in Quebec; the Filer is not in default of any of the requirements of the applicable securities legislation of any such jurisdiction in which it is a reporting issuer;

3. the common shares of the Filer (the Khan Shares) are listed and posted for trading on the Toronto Stock Exchange (the TSX);

4. the authorized capital of the Filer consists of an unlimited number of common shares; as of May 9, 2008, there were 54,143,279 Khan Shares outstanding;

5. Western Prospector is a corporation existing under the *Business Corporations Act* (British Columbia) and its head office is located in Vancouver, British Columbia;

6. Western Prospector is a reporting issuer in each of British Columbia, Alberta and Ontario; the Western Prospector Shares are listed and posted for trading on the TSX Venture Exchange;

7. the authorized capital of Western Prospector consists of an unlimited number of Common Shares; as of May 28, 2008, there were 54,256,062 Western Prospector Shares issued and outstanding;

8. on May 11, 2008, the Filer issued a press release announcing its intention to make an offer (the Offer) to acquire all of the issued and outstanding Western Prospector Shares on the basis of 0.685 of a Khan Share for each Western Prospector Share;

9. an advertisement announcing and commencing the Offer was published in English in The Globe and Mail and the New York Times (national edition) and in French in La Presse on May 12, 2008 and, upon receipt of the registered shareholder list and NOBO list of Western Prospector, the take-over bid circular, letter of transmittal and notice of guaranteed delivery were mailed to Western Prospector Shareholders;

10. the Offer was originally scheduled to expire on June 20, 2008, but was subsequently extended and is now currently scheduled to expire at 8:00 p.m. (Toronto time) on August 8, 2008;

11. the Khan Shares issuable under the Offer to US Shareholders of Western Prospector (US Shareholders) have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the 1933 Act) or any State securities (or "blue sky") laws in the United States; as discussed below, the Khan Shares issuable under the Offer will be exempt from the registration requirements of the 1933 Act; however, the issuance of Khan Shares to certain classes of US Shareholders (Ineligible US Shareholders) under the Offer will not be exempt from the registration requirements of a substantial number of US State securities laws; because the Khan Shares will not be registered under

any US State securities laws, the offer, sale or delivery of Khan Shares under the Offer to Ineligible US Shareholders would violate certain US State securities laws;

12. for purposes of the Offer, the term "Ineligible US Shareholders" includes any US Shareholder, other than a resident of New York State, who does not qualify as an exempt "institutional investor" within the meaning of the securities laws and regulations of such US Shareholder's US jurisdiction;

13. to the knowledge of the Filer, based solely on the most recent registered shareholder list provided to the Filer on July 15, 2008 and the most recent NOBO list provided to the Filer on June 13, 2008, less than 5% of the Western Prospector Shares are held by Ineligible US Shareholders;

14. Rule 802 under the 1933 Act (Rule 802) provides an exemption from the registration requirements of the 1933 Act for offers and sales in any exchange offer for a class of securities of a foreign private issuer (as defined for purposes of the 1933 Act and the rules and regulations issued by the U.S. Securities and Exchange Commission thereunder) or in any exchange of securities for the securities of a foreign private issuer in any business combination if the holders of the foreign subject company resident in the United States hold no more than 10% of the securities that are the subject of the exchange offer or business combination; Rule 802 provides that for the purposes of this calculation, securities held by persons who hold more than 10% of the subject securities are to be excluded, as are securities held by the offeror; in order for this exemption to apply, holders resident in the United States must participate in the exchange offer or business combination on terms at least as favourable to those offered to the other holders of the subject securities, subject to an exception which allows the offeror to offer cash consideration to securityholders resident in states of the United States that do not have an applicable state "blue sky" exemption from the registration or qualification requirements of state securities laws;

15. to the knowledge of the Filer, based on public disclosure, Western Prospector is a "foreign private issuer" within the meaning of Rule 405 of Regulation C under the 1933 Act; furthermore, to the knowledge of the Filer, based on public disclosure, Anchorage Capital Master Offshore, Ltd. (Anchorage) holds approximately 19% of the Western Prospector Shares; to the knowledge of the Filer, based on the most recent versions of the registered shareholder list and NOBO list of Western Prospector, approximately 8.2% of the issued and outstanding Western Prospector Shares on a non-diluted basis, and (as directed by Rule 802 for purposes of calculating the level of U.S. ownership) excluding the shares held by Anchorage, are beneficially held by US Shareholders;

16. therefore, to the knowledge of the Filer, the 10% ownership condition and the other conditions to Rule 802 have been met and the offer and sale of the Khan Shares is exempt from the registration requirements of the 1933 Act by virtue of Rule 802; furthermore, based on publicly available information, Anchorage is not an Ineligible US Shareholder and will, therefore, receive Khan Shares if it tenders its Western Prospector Shares to the Offer;

17. there is no general exemption from state "blue sky" laws that coordinates with Rule 802; as a result, the securities laws of a significant number of states would prohibit delivery of the Khan Shares to US Shareholders without registration of the Khan Shares to be issued to US Shareholders resident in such states unless such holders are otherwise exempt investors under the laws of such states; the Filer is not eligible to rely on the relief provided by the Multi-Jurisdictional Disclosure System and, in any event, such system does not provide relief from the registration or qualification requirements of United States state securities laws;

18. registration under the 1933 Act and applicable state securities laws of the Khan Shares deliverable to US Shareholders, and the resulting ongoing reporting requirements under the US Federal securities laws, would be costly and burdensome to the Filer;

19. for US Shareholders who are Ineligible US Shareholders (and Western Prospector shareholders who appear to the Filer to be Ineligible US Shareholders), the Filer proposes to deliver to a selling agent (the "Agent") the Khan Shares that those Ineligible US

Shareholders would otherwise be entitled to receive under the Offer, and the Agent will then, as expeditiously as commercially reasonable thereafter, sell (or cause to be sold) the Khan Shares on behalf of those Ineligible US Shareholders through the facilities of the TSX; as soon as possible after the completion of such sale, the Agent will deliver to each such Ineligible US Shareholder their respective pro rata share of the cash proceeds of the sale, less commissions, other expenses and withholding taxes; the sale of Khan Shares by the Agent will be effected in a manner intended to maximize the consideration to be received by the Ineligible US Shareholders and minimize any adverse impact of the sale on the market for the Khan Shares; based on the exchange ratio of the Offer and the number of Western Prospector Shares that, to the knowledge of the Filer, are held by Ineligible US Shareholders, and assuming the Filer acquires 100% of the Western Prospector Shares, the Khan Shares to be sold under the vendor placement would represent approximately 2% of the outstanding shares of the combined company;

20. the Offer to the Ineligible US Shareholders and the sale of the Khan Shares for the benefit of Ineligible US Shareholders under the vendor placement described in the preceding paragraph will not constitute a violation of U.S. federal and state securities laws;

21. the Filer's financial advisor has advised that in its view there will be a "liquid market" (as such term is defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*) in the Khan Shares following successful completion of the Offer and vendor placement mechanism described in paragraph 19 above; and

22. to the knowledge of the Filer, based solely on the most recent shareholder lists provided to the Filer by Western Prospector, there are approximately 6.3 million Western Prospector Shares held by shareholders who are neither in Canada or the United States; the Filer does not intend to use the vendor placement mechanism described in paragraph 19 above in respect of these shareholders; the Offer is not being made to any person in any jurisdiction in which the Offer is unlawful and the Offer is not being made to, nor will deposits be accepted from or on behalf of, shareholders of Western Prospector in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction.

Decision

4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Ineligible US Shareholders, who would otherwise receive Khan Shares under the Offer, instead receive cash proceeds from the sale of the Khan Shares in accordance with the procedures set out in paragraph 19 above.

"Martin Eady, CA"
Director, Corporate Finance
British Columbia Securities Commission

2.1.12 Grey Horse Corporation and Equity Transfer and Trust Company

Headnote

MI 11-102 and NP 11-203 – Application for exemption from issuer bid requirements and insider reporting requirements – issuer has established employee share purchase plan – issuer has appointed wholly owned subsidiary to act as plan trustee – plan trustee will purchase and sell common shares in the open market with employee and employer contributions in accordance with the instructions of plan participants – plan trustee will be purchaser and legal owner of all shares acquired under the Plan until shares are disposed of or distributed in kind to participants – acquisition of shares by plan trustee may be an "issuer bid" since acquisition of shares may be viewed as an indirect acquisition of shares by the Issuer – acquisition of shares may in certain circumstances trigger insider reporting requirements – relief from issuer bid requirements and insider reporting requirements granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93 to 99.1, 104(2)(c).
Securities Act, R.S.O. 1990, c. S.5, as am., ss. 107, 121(2)(a)(ii).
Multilateral Instrument 11-102 Passport System.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.
National Instrument 55-101 Insider Reporting Exemptions.
Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids.

Addendum

[If at the time of making the decision for a dual application or a coordinated review application, the decision maker in the principal regulator jurisdiction makes any comments about the application that would be relevant to staff or a decision maker in a non-principal regulator jurisdiction, staff should prepare an addendum to the memorandum summarizing the comments prior to circulating materials for opt-in.]

August 12, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
GREY HORSE CORPORATION
(the Issuer)
AND
EQUITY TRANSFER AND TRUST COMPANY
(ETT)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Issuer and ETT (collectively, the **Filers**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filers be exempt from the Issuer Bid Requirements and the Insider Reporting Requirements (as such terms are defined below) in connection with acquisitions and dispositions by ETT of Common Shares (as defined below) pursuant to the Plan (as defined below) (the **Exemptions Sought**), subject to certain conditions.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the Ontario Securities Commission is the principal regulator for this application, and

(b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in the decision.

Representations

This decision is based on the following facts represented by the Filers:

1. The Issuer is a corporation existing under the *Canada Business Corporations Act* with its head office located in Toronto, Ontario.

2. The Issuer, through its subsidiaries, provides financial services to the corporate and institutional market.

3. The Issuer is a reporting issuer in British Columbia, Alberta and Ontario. The Issuer is not in default of any requirements of the Legislation.

4. The common shares in the capital of the Issuer (the **Common Shares**) are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "GHC". As at December 31, 2007,

the Issuer had approximately 6,675,225 Common Shares issued and outstanding.

5. On November 29, 2007, the Issuer approved an employee share purchase plan (the **Plan**) under a Trust and Agent Services Agreement (the **Trust Agreement**) to be entered into between the Issuer, ETT and Solium (defined below) to establish the trust (the **Trust**) in connection with the Plan. The Plan is designed to, among other things, provide an opportunity for employees of the Issuer and its subsidiaries

   (a) to accumulate savings through automatic payroll deductions and by sharing in the profits of the Issuer and its subsidiaries, and

   (b) to increase ownership in the Issuer and participate in its growth.

   The Issuer will file the Trust Agreement on SEDAR and will similarly file any amendments to the Trust Agreement on SEDAR.

6. The Plan is open to eligible employees of the Issuer and its subsidiaries, as determined under the Plan, who enrol as a participant under the Plan (a P**articipant**). Participation in the Plan is voluntary. Employees are not induced to participate by an expectation of employment.

7. The Issuer has appointed ETT to act as trustee of the Trust established under the Trust Agreement (the **Plan Trustee**). ETT is a wholly owned subsidiary of the Issuer that has been licensed as a trust company under the *Trust and Loan Companies Act* (Canada). ETT provides transfer agent and corporate trust services to public issuers in the North American capital markets.

8. The Issuer and the Plan Trustee have retained Solium Capital Inc. (**Solium** or the **Administrative Agent**) to act as administrative agent for the Plan Trustee. Solium is a plan administrator that provides administration services to issuers in connection with their equity based compensation plans. Solium is a reporting issuer in the Provinces of Alberta, British Columbia and Ontario and its common shares are listed on the Toronto Stock Exchange. Neither the Issuer nor ETT is affiliated with Solium.

9. The assets of the Trust will consist of cash contributions made by the Participants or the Issuer in accordance with the Plan and all property acquired with such contributions, together with all earnings and profits thereon. The Plan Trustee will hold all trust property, including the Common Shares, in trust for the benefit of the Participants in accordance with the terms of the Plan and the Trust Agreement.

10. The Plan Trustee currently does not hold any Common Shares, as part of the Trust. The Plan currently does not provide any restrictions as to the number of Common Shares that may be acquired pursuant to the Plan. The number of Common Shares to be acquired pursuant to the Plan is dependent on the personal contributions made by Participants and the associated employer contributions.

11. Under the Plan, the Plan Trustee will purchase and sell Common Shares in the open market with employee and employer contributions in accordance with the instructions of the Participants and the rules of the Plan. The Plan Trustee will establish a brokerage account with Canaccord Capital Corporation ("**Canaccord**") for the purpose of facilitating the acquisition and disposition of the Common Shares on the open market. Solium, as agent for the Plan Trustee, will provide instructions to Canaccord with respect to the acquisition and sale of Common Shares on the basis of the instructions received from the Participants and the rules of the Plan.

12. ETT (in its capacity as Plan Trustee) will be the purchaser and legal owner of all Common Shares acquired under the Plan until such time as the Common Shares are disposed of or distributed in kind to the Participants.

13. Under the Plan, Common Shares acquired from employer contributions on behalf of a Participant will generally be subject to a 12-month vesting requirement. Common Shares held in the Plan that have not yet vested are referred to as "Unvested Shares" (the **Unvested Shares**). Common Shares purchased from a Participant's personal contributions and lump sum payments, and Unvested Shares that have vested, are referred to as "Unrestricted Shares" (the **Unrestricted Shares**).

14. The Plan provides that a Participant shall be the "beneficial owner" of all Unrestricted Shares purchased on his or her behalf, shall be allocated any dividends or other distributions with respect to those Unrestricted Shares, and shall be entitled to direct the voting of those Unrestricted Shares at any meeting of the holders of the Common Shares.

15. None of the Issuer, ETT or Solium will have any right to direct the voting of any Common Shares under the Plan. Specifically, the Unvested Shares held under the Plan will not be voted. ETT, as the registered holder of the Unrestricted Shares, shall not be entitled to vote any Unrestricted Shares allocated to a Participant's personal account except in accordance with the written direction of the Participant.

16. None of the Issuer, ETT or Solium will make any decisions or exercise any independent investment judgment in connection with any purchases or sale of the Issuer's Common Shares under the Plan. Such purchases and sales will be executed automatically by Canaccord in accordance with the Participants' instructions without any involvement of the Issuer or ETT in determining the timing or manner of execution of such transactions.

17. The acquisition of Common Shares by ETT in accordance with the Plan may be an "issuer bid" as defined in the Legislation since the purchase of Common Shares may be viewed as an indirect acquisition of Common Shares by the Issuer pursuant to the "issuer bid" definition in the Legislation. Accordingly, the acquisition of Common Shares by ETT in accordance with the Plan may trigger the issuer bid requirements in the Legislation (the **Issuer Bid Requirements**). The Issuer has determined that none of the exemptions from the Issuer Bid Requirements in the Legislation is available for the acquisitions of Common Shares by ETT in accordance with the Plan.

18. If ETT acquires beneficial ownership of, or the power to exercise control or direction over, a sufficient number of Common Shares of the Issuer as to result in ETT becoming subject to the early warning requirements (the **Early Warning Requirements**) of the Legislation, ETT will comply with the Early Warning Requirements. ETT is an "eligible institutional investor" for the purposes of National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* (**NI 62-103**) and may file reports under the alternative monthly reporting system in accordance with NI 62-103 in these circumstances.

19. Although the Participants are beneficiaries of the Trust and have a beneficial interest in the property of the Trust, including the Common Shares held in the Trust, the Filers have concluded that, as a matter of law, it is unclear as to whether a beneficiary of a trust can be viewed as having an interest in specific assets of a trust in all circumstances. Accordingly, the Filers believe it is unclear whether, as a matter of law, the Participants or the Plan Trustee may be viewed as having "beneficial ownership" of the Unvested Shares and/or the Unrestricted Shares for the purposes of the insider reporting requirements (the **Insider Reporting Requirements**) contained in the Legislation.

20. The acquisition of Common Shares by ETT pursuant to the Plan may trigger the Insider Reporting Requirements since

    (a) ETT may, depending on the number of Common Shares to be acquired pursuant to the Plan, be viewed as having acquired beneficial ownership of, or control or direction over, a sufficient number of Common Shares of the Issuer as to result in ETT being considered an "insider" under the Legislation.

    (b) ETT may be viewed as having acquired beneficial ownership of Common Shares of the Issuer held in the Plan with the result that the Issuer may be deemed to have acquired beneficial ownership of its own securities for the purposes of the definition of "insider" in the Legislation.

    (c) To the extent the Issuer is otherwise an insider of itself, the Issuer may be required to file insider reports in respect of Plan transactions involving its own securities.

21. To the extent that Participants are insiders of the Issuer, the Exemption Sought will not exempt such insiders from the insider reporting requirements that may otherwise apply to purchases and sales of Common Shares by ETT or the Plan Administrator in accordance with insider Participants' instructions. The Issuer will advise its insiders that they need to consider the potential application of the insider reporting requirements under the Legislation to Plan transactions involving securities of the Issuer.

22. Certain directors, officers and employees of the Issuer are also directors, officers and employees of ETT. However, the Issuer and ETT will each establish and maintain appropriate policies and procedures to ensure that ETT will not be making any purchases or sales of Common Shares under the Plan pursuant to a decision that is made or participated in by any officer, director or employee of ETT who has actual knowledge of material undisclosed information about the Issuer.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemptions Sought are granted, provided that:

    (a) none of the Issuer, ETT or Solium makes any decisions or exercises any independent investment judgment in connection with any purchase or sale of the Issuer's Common Shares under the Plan;

(b) none of the Issuer, ETT or Solium exercises any right to vote or direct the voting of any Common Shares held under the Plan except that ETT may, as the Plan Trustee, vote Unrestricted Shares allocated to a Participant's personal account in accordance with the written direction of the Participant;

(c) Solium, on behalf of ETT, maintains a record of Plan transactions involving securities of the Issuer, and ETT or Solium, on behalf of ETT, will maintain a record of Participants' written directions relating to voting, and undertakes to make available such records to the principal regulator upon request;

(d) the Issuer discloses in each management information circular the existence and material terms of the Plan and the number of securities of the Issuer held in the Plan as of a date that is within 60 days of the date of the filing; provided that, if the Issuer does not file a management information circular within a period of 12 months from the date of filing of the most recently filed management information circular, the Issuer discloses this information in another public filing on SEDAR; and

(e) in the event of a material change in the terms of the Plan, the Decision will expire 60 days from the date of such material change.

"James E.A. Turner"
Vice Chair

"Carol S. Perry"
Commissioner

2.1.13 CI Investments Inc. et al.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions - Mutual funds granted relief from certain restrictions in National Instrument 81-102 Mutual Funds on securities lending transactions, including (i) the 50% limit on lending; (ii) the requirement to use a custodial lending agent; and (iii) the requirement to hold the collateral during the course of the transaction - Mutual funds invest their assets in a basket of Canadian equity securities that are pledged to a Counterparty for performance of the funds' obligations under a forward contract giving exposure to underlying interests - Mutual funds wanting to lend up to 100% of basket of Canadian equity securities - Not practical for custodian to act as securities lending agent as it may not have control over the Canadian equity securities - Counterparty must release its security interest in the Canadian equity securities in order to allow the fund to lend such securities, provided the fund grants the Counterparty a security interest in the collateral held by the fund for the loaned securities - National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.12(1)1, 2.12(1)2, 2.12(1)12, 2.12(3), 2.15, 2.16, 6.8(5), 19.1.

August 12, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CI INVESTMENTS INC.
(the Filer)
AND
CI SHORT-TERM ADVANTAGE CORPORATE CLASS
CI GLOBAL HIGH DIVIDEND ADVANTAGE CORPORATE CLASS
CI GLOBAL HIGH DIVIDEND ADVANTAGE FUND
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdiction

of the principal regulator (the **Legislation**) for exemptive relief for each Fund from the following provisions of National Instrument 81-102 *Mutual Funds* (**NI 81-102**):

1. subsection 2.12(1)1 of NI 81-102 to permit each Fund to enter into securities lending transactions that will not be administered in compliance with all the requirements of section 2.15 and 2.16 of NI 81-102;

2. subsection 2.12(1)2 of NI 81-102 to permit each Fund to enter into securities lending transactions that do not fully comply with all the requirements of section 2.12 of NI 81-102;

3. subsection 2.12(1)12 of NI 81-102 to permit each Fund to enter into securities lending transactions in which the aggregate market value of securities loaned by the Fund exceeds 50% of the total assets of the Fund;

4. subsection 2.12(3) of NI 81-102 to permit each Fund, during the term of a securities lending transaction, to not hold or to dispose of any non-cash collateral delivered to it as a collateral in the transaction;

5. section 2.15 of NI 81-102 to permit the Filer to lend securities of each Fund either through an agent (**Agent**) that is not the custodian or sub-custodian of the Fund or directly to a borrower;

6. section 2.16 of NI 81-102 to the extent this section contemplates that securities lending transactions be entered into through an agent appointed under section 2.15 of NI 81-102; and

7. section 6.8(5) of NI 81-102 to permit the collateral delivered to each Fund in connection with a securities lending transaction to not be held under the custodianship of the custodian or a sub-custodian of the Fund.

Paragraphs 1 through 7 are collectively referred to as the **Requested Relief**.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

(a) the Ontario Securities Commission (**OSC**) is the principal regulator for this application; and

(b) the Filer on behalf of each Fund has provided notice that subsection 4.7(1)(c) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces and territories of Canada.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

Representations

This Decision is based on the following facts represented by the Filer on behalf of each Fund:

Facts

1. Each Fund is a mutual fund to which NI 81-102 applies. Each Fund is a reporting issuer under the securities legislation of each province and territory of Canada.

2. The Filer, a corporation incorporated under the laws of the Province of Ontario, acts as the trustee, manager and portfolio adviser of each Fund. Pursuant to the requirements of MI 11-102, the OSC is the principal regulator to review and grant the Requested Relief as the head office of the Filer is in Ontario.

3. The Filer and the Funds are not in default of securities legislation in any province or territory of Canada.

4. Each Fund's investment objective reflects the Fund's goal of providing tax-efficient returns for investors based on the returns of specific types of securities. The investment objective of each Fund includes the ability of each Fund to obtain such returns through use of specified derivatives.

5. Each Fund pursues its investment objective by means of a specified derivative. Each Fund invests its assets in a basket of Canadian equity securities (a **Common Share Portfolio**). The Common Share Portfolio of a Fund is generally a static portfolio that is not actively managed except in limited circumstances. Each Fund also enters into one or more forward share purchase agreements or other equivalent financial instruments (a **Forward Contract**) with a Canadian chartered bank (a **Counterparty**) to effectively replace the risks and returns of its Common Share Portfolio with returns based on the returns of an underlying interest (such as another mutual fund, index or notional basket of securities).

6. Each Fund pledges the securities within its Common Share Portfolio to its Counterparty as collateral security for performance of the Fund's obligations under its Forward Contract. The Common Share Portfolio of a Fund is held by either the Fund's custodian or the Counterparty.

7. The Filer proposes to engage in securities lending transactions on behalf of each Fund that may represent up to 100% of the net assets of that Fund, in order to earn additional returns for that Fund. The Filer may lend the securities of a Fund to one or more borrowers indirectly through an Agent, other than the custodian or sub-custodian of the Fund, which will be a Canadian financial

institution or the investment bank affiliate of a Canadian financial institution. It is not practical for the custodian of a Fund to act as Agent with respect to the Fund's securities lending transactions as it may not have control over the securities in the Fund's Common Share Portfolio for the reason set out in paragraph 6 above.

8. Each Fund may appoint its Counterparty or, in appropriate circumstances, an affiliated dealer of its Counterparty to act as that Fund's Agent in administering that Fund's securities lending activities.

9. The Filer will ensure that any Agent through which a Fund lends securities maintains appropriate internal controls, procedures, and records for securities lending transactions as prescribed in subsection 2.16(2) of NI 81-102.

10. If the Filer lends securities to borrowers directly on behalf of a Fund, the Filer will, in administering such securities lending transactions, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances, and will ensure that the borrower maintains appropriate internal controls, procedures, and records for securities lending transactions as prescribed in subsection 2.16(2) of NI 81-102.

11. A Counterparty must release its security interest in the securities in the Common Share Portfolio of a Fund in order to allow the Fund to lend such securities, provided that the Fund grants the Counterparty a security interest in the collateral held by the Fund for the loaned securities.

12. To facilitate the Counterparty's release of its security interest in the securities in the Common Share Portfolio of a Fund, the Filer will ensure the securities of the Common Share Portfolio of the Fund are loaned to an affiliate of the Counterparty, which will be a registered dealer and a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) or another borrower that is acceptable to both the Filer and the Counterparty. To facilitate the Counterparty's perfection of its security interest in the collateral held by the Fund for the loaned securities, the Filer will ensure that the Fund's collateral for the loan is held by an affiliate of the Counterparty, which will be a registered dealer and a member of IIROC.

13. The non-cash collateral received by a Fund in respect of a securities lending transaction, and in which the Counterparty will have a security interest, will not be reinvested in any other types of investment products.

14. The prospectus of each Fund discloses that the Fund may enter into securities lending transactions. Other than as set forth herein, any securities lending transactions on behalf of a Fund will be conducted in accordance with the provisions of NI 81-102.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

(a) with respect to the exemption from subsection 2.12(1)12 of NI 81-102, each Fund, in connection with a securities lending transaction is using a Forward Contract and,

  (i) receives the collateral that

    (A) is prescribed by subsections 2.12(1)3 to 6 of NI 81-102 other than collateral described in subsection 2.12(1)6(d) or in paragraph (b) of the definition of "qualified security", and

    (B) is marked to market on each business day in accordance with subsection 2.12(1)7 of NI 81-102,

  (ii) has the rights set forth in subsections 2.12(1)8 to 9 and 2.12(1)11 of NI 81-102,

  (iii) complies with subsection 2.12(1)10 of NI 81-102, and

  (iv) lends its securities only to borrowers that have an approved credit rating (as defined in NI 81-102) or to borrowers whose obligations to the Fund are fully and unconditionally guaranteed by persons or companies that have such a credit rating;

(b) with respect to the exemption from subsection 2.12(3) of NI 81-102, each Fund provides a security interest to the applicable Counterparty in the collateral delivered to it as collateral pursuant to a securities lending transaction as described in representation 11;

(c) with respect to the exemption from section 2.15 of NI 81-102:

  (i) where the Filer lends securities of a Fund directly to a borrower, the Filer complies with the requirements of section 2.15 of NI 81-102 as if it were the agent contemplated by that section; and

(ii) where the Filer lends securities of a Fund through an Agent,

(A) the Filer and the Fund enter into a written agreement with the Agent that complies with each of the requirements set forth in subsection 2.15(4) of NI 81-102; and

(B) the Agent administering the securities lending transaction of each Fund

(I) is in compliance with the standard of care prescribed in subsection 2.15(5) of NI 81-102; and

(II) is a bank or trust company described in paragraph 1 or 2 of section 6.2 of NI 81-102 or the investment bank affiliate of such bank or trust company that is registered as an investment dealer or in an equivalent registration category;

(d) with respect to the exemption from section 2.16 of NI 81-102,

(i) where the Filer lends securities of a Fund directly to a borrower, the Filer and the Funds comply with the requirements of section 2.16 of NI 81-102 as if the Filer itself were the agent contemplated in that section; and

(ii) where the Filer lends securities of a Fund through an Agent, the Filer and the Funds comply with the requirements of section 2.16 of NI 81-102 as if the Agent appointed by the Filer were the agent contemplated in that section; and

(e) with respect to the exemption from subsection 6.8(5) of NI 81-102, each Fund:

(i) provides a security interest to the applicable Counterparty in the collateral delivered to it as collateral pursuant to a securities lending transaction as described in representation 11; and

(ii) the collateral delivered to the Fund pursuant to the securities lending transaction is held by an affiliate of the Counterparty, which will be a registered dealer and a member of IIROC, as described in representation 12.

"Darren McKall"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.14 Gemcom Software International Inc. - s. 1(10)

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

August 13, 2008

Mr. Jonah Mann
Stikeman Elliott LLP
5300 Commerce Court
199 Bay Street
Toronto, ON M5L 1B9

Dear Mr. Mann:

Re: Gemcom Software International Inc. (the Applicant) – application for a decision under the securities legislation of Ontario and Alberta (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 New Life Capital Corp. et al. - s. 127

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED

AND

IN THE MATTER OF
NEW LIFE CAPITAL CORP.,
NEW LIFE CAPITAL INVESTMENTS INC.,
NEW LIFE CAPITAL ADVANTAGE INC.,
NEW LIFE CAPITAL STRATEGIES INC.,
1660690 ONTARIO LTD., L. JEFFREY POGACHAR,
PAOLA LOMBARDI AND ALAN S. PRICE

TEMPORARY ORDER
Section 127

WHEREAS it appears to the Ontario Securities Commission that:

1. New Life Capital Corp. ("NLC"), New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc. and 1660690 Ontario Inc. (together, "New Life") are corporations incorporated in Ontario;

2. NLC is registered with the Commission as a limited market dealer;

3. L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price are officers and directors of one or more entities within New Life;

4. Staff of the Commission ("Staff") have conducted a Compliance Review and are conducting an investigation into New Life's registration, sales and governance practices;

5. Staff have identified apparent deficiencies in New Life's registration, sales and governance practices;

6. the Commission is of the opinion that it is in the public interest to make this Order; and

7. the Commission is of the opinion that the length of time required to conclude a hearing in this matter could be prejudicial to the public interest;

AND WHEREAS by Commission Order dated April 1, 2008 pursuant to section 3.5(3) of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act"), any one of W. David Wilson, James E. A. Turner, Lawrence E. Ritchie, Paul K. Bates or David L. Knight, acting alone, is authorized to make orders pursuant to section 127 of the Act;

IT IS ORDERED that:

1. pursuant to clause 2 of section 127(1) and section 127(5) of the Act, trading in securities of and by the Respondents shall cease;

2. pursuant to clause 3 of section 127(1) and section 127(5) of the Act, any exemptions contained in Ontario securities law not do not apply to any of the Respondents; and

3. this Order shall not prevent or prohibit any future payments in the way of premiums owing from time to time in respect of insurance policies which were purchased by the Respondents on or before the date of this Order;

IT IS FURTHER ORDERED that pursuant to section 127(6) of the Act, this Order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission.

DATED at Toronto this 6th day of August, 2008.

"David Wilson"

2.2.2 Wellington Global Holdings, Ltd. and Wellington Hedge Management LLC - s. 78(1) of the CFA

**IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C. 20, AS AMENDED
(the CFA)**

AND

**IN THE MATTER OF
WELLINGTON GLOBAL HOLDINGS, LTD. AND
WELLINGTON HEDGE MANAGEMENT LLC**

AND

**IN THE MATTER OF
THE ASSIGNMENT OF CERTAIN POWERS
AND DUTIES OF THE
ONTARIO SECURITIES COMMISSION**

**VARIATION NOTICE
(Subsection 78(1) of the CFA)**

WHEREAS by an order (the **Prior Order**) dated March 11, 2008, *In The Matter of Wellington Global Holdings*, Ltd., the Commission ordered, pursuant to section 80 of the CFA, that Wellington Global Holdings, Ltd. (the **Named Applicant**) on behalf of certain affiliates of the Named Applicant (each, an **Affiliate**, and together with the Named Applicant, the **Applicants**) that provide notice (the **Notice**) to the Director as referred to in the Prior Order, that the Applicants are exempted from the registration requirements in paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more Funds (as defined in the Prior Order), subject to certain terms and conditions;

AND WHEREAS in the Prior Order, pursuant to subsection 3.1(1) of the CFA, the Commission also assigned to each Director, acting individually, the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary the Prior Order by specifically naming any Affiliate of the Named Applicant as an Applicant to the Prior Order (the Assignment), following the filing of a notice (the **Notice**) containing the information specified in the Prior Order;

AND WHEREAS on June 2, 2008, Wellington Hedge Management LLC (the **Identified Affiliate**) provided the Commission with a Notice, as described in the Prior Order, that the Identified Affiliate, whose name does not specifically appear in the Prior Order, wishes to rely on the exemption granted under the Prior Order and has applied to have the Prior Order varied to specifically name the Identified Affiliate as an Applicant to the Order;

AND UPON being satisfied that to do so would not be prejudicial to the public interest, on July 11, 2008 the Director provided the Identified Affiliate with a Director's Consent in the form of Part B to Schedule A of the Prior Order.

NOW THEREFORE, this will confirm that, pursuant to the Assignment, effective July 11, 2008, the Director varied the Prior Order to specifically name the Identified Affiliate as an Applicant for the purposes of the Order and that the Order is varied accordingly.

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Fareport Capital Inc.	06 Aug 08	19 Aug 08		
Tarquin Group Inc.	31 July 08	12 Aug 08	12 Aug 08	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

*** There were no Management Cease Trading Orders for this week.**

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Hip Interactive Corp.	04 July 05	15 July 05	15 July 05		
T S Telecom Ltd.	31 July 08	13 Aug 08	13 Aug 08		
Leader Capital Corp.	31 July 08	13 Aug 08	13 Aug 08		
OceanLake Commerce Inc.	01 Aug 08	14 Aug 08			

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Chapter 5

Rules and Policies

5.1.1 Notice of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and Repeal of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*

NOTICE OF NATIONAL INSTRUMENT 52-109
CERTIFICATION OF DISCLOSURE IN ISSUERS' ANNUAL AND INTERIM FILINGS

AND

REPEAL OF MULTILATERAL INSTRUMENT 52-109
CERTIFICATION OF DISCLOSURE IN ISSUERS' ANNUAL AND INTERIM FILINGS

Introduction

We, the Canadian Securities Administrators (CSA), are repealing Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, Forms 52-109F1, 52-109FT1, 52-109F2 and 52-109FT2 and withdrawing Companion Policy 52-109CP (collectively, the Current Materials) and replacing them with:

- National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the New Rule);
- Forms 52-109F1, 52-109FV1, 52-109F1 – IPO/RTO, 52-109F1R, 52-109F1 – AIF, 52-109F2, 52-109FV2, 52-109F2 – IPO/RTO and 52-109F2R (together with the New Rule, the New Instrument); and
- Companion Policy 52-109CP *Certification of Disclosure in Issuers' Annual and Interim Filings* (the New Policy, and together with the New Instrument, the New Materials).

In conjunction with the New Materials, we are also making consequential amendments to Form 51-102F1 *Management's Discussion & Analysis* of National Instrument 51-102 *Continuous Disclosure Obligations* (the Consequential Amendments).

The New Materials and Consequential Amendments are initiatives of the securities regulatory authorities in all Canadian jurisdictions. Members of the CSA in the following jurisdictions have made, or expect to make, the New Instrument and Consequential Amendments as

- rules in each of British Columbia, Alberta, Manitoba, Ontario, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, the Northwest Territories, Nunavut and Yukon;
- regulations in Québec; and
- commission regulations in Saskatchewan.

In Alberta, British Columbia and Ontario, the implementation of the New Instrument is subject to ministerial approval. The implementation of the Consequential Amendments is subject to ministerial approval in British Columbia and Ontario.

In Ontario, the New Instrument, Consequential Amendments and the other required materials were delivered to the Minister of Finance on August 15, 2008.

In Québec, the New Instrument and Consequential Amendments are regulations made under section 331.1 of *The Securities Act* (Québec) and must be approved, with or without amendment, by the Minister of Finance. The New Instrument and Consequential Amendments will come into force on the date of publication in the *Gazette officielle du Québec* or on any later date specified in the regulation.

Provided all necessary ministerial approvals are obtained, the New Instrument and Consequential Amendments will come into force on **December 15, 2008**.

The New Policy has been, or is expected to be, adopted as a policy in all CSA jurisdictions. The New Policy has an effective date of **December 15, 2008**.

Substance and Purpose

The purpose of the New Materials is to improve the quality and reliability of reporting issuers' annual and interim disclosure. We believe that this, in turn, will help to maintain and enhance investor confidence in the integrity of our capital markets. The New Materials require an issuer's chief executive officer (CEO) and chief financial officer (CFO), or persons performing similar functions to a CEO or CFO (certifying officers), to personally certify that, among other things:

- the issuer's annual filings and interim filings do not contain any misrepresentations;
- the financial statements and other financial information in the annual filings and interim filings fairly present the financial condition, results of operations and cash flows of the issuer;
- they have designed disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR),or caused them to be designed under their supervision;
- they have caused the issuer to disclose in its MD&A any change in the issuer's ICFR that has materially affected the issuer's ICFR; and
- on an annual basis they have evaluated the effectiveness of the issuer's DC&P and ICFR and caused the issuer to disclose their conclusions about the effectiveness of DC&P and ICFR in the issuer's MD&A.

Under the New Instrument, venture issuers are not required to include representations in their certificates relating to DC&P and ICFR. Venture issuers are also not required to discuss in their annual or interim MD&A changes in ICFR or the certifying officers' conclusions about the effectiveness of DC&P or ICFR.

The New Policy describes how we intend to apply the New Instrument.

Background

The Current Materials came into force in all CSA jurisdictions except British Columbia, Québec and New Brunswick on March 30, 2004. The Current Materials came into force in Québec on June 30, 2005, in New Brunswick on July 28, 2005, and in British Columbia on September 19, 2005.

The CSA published prior versions of the New Materials and Consequential Amendments for a 60-day comment period on April 18, 2008 (the April 2008 Materials). The April 2008 Materials were a revision of previously proposed materials that CSA members published for comment on March 30, 2007. For further background on the materials published in March 2007 and the revisions made, refer to the CSA Notice and Request for Comments published on April 18, 2008.

Summary of Written Comments Received by the CSA

The comment period for the April 2008 Materials expired on June 17, 2008. We received written submissions from 29 commenters. We have considered the comments received and thank all the commenters. The names of the commenters are contained in Appendix A of this notice and a summary of their comments, together with our responses, are contained in Appendix B of this notice.

Summary of Changes to the April 2008 Materials

After considering the comments received, we made some revisions to the April 2008 Materials that are reflected in the New Materials and Consequential Amendments. As these changes are not material, we are not republishing the New Materials or Consequential Amendments for a further comment period.

See Appendix C of this notice for a summary of notable changes made to the April 2008 Materials.

The text of the New Materials is being published concurrently with this notice.

Consequential Amendments

In order to conform with the New Instrument, we are also making the Consequential Amendments. The Consequential Amendments are contained in Appendix D of this notice.

Withdrawal of Notices and Revocation of Local Exemption Instruments

We are withdrawing the following national notices, effective December 15, 2008:

- CSA Staff Notice 52-311 *Regarding the Required Forms of Certificates under MI 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*;
- CSA Staff Notice 52-316 *Certification of Design of Internal Control Over Financial Reporting*;
- CSA Staff Notice 52-322 *Status of Proposed Repeal and Replacement of Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*; and
- CSA Multilateral Staff Notice 57-302 *Failure to File Certificates Under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*.

Each CSA jurisdiction other than Ontario has issued either a blanket order or local rule that has the effect of modifying the CEO and CFO certification requirements in the Current Materials as they apply to venture issuers (collectively, the Exemption Instruments). Each applicable CSA jurisdiction will revoke its Exemption Instrument effective December 15, 2008. A list of the Exemption Instruments that will be revoked is contained in Appendix E of this notice.

The following local notices, published concurrently with the corresponding local Exemption Instrument, will be withdrawn effective December 15, 2008:

- in Alberta, Alberta Securities Commission Notice *MI 52-109 Exemptive Relief, 2007 ABASC 836 Certain Certification Requirements: Relief for Venture Issuers*;
- in British Columbia, BC Notice 2007/36 *Relief for venture issuers from certain certification requirements*; and
- in Manitoba, Manitoba Securities Commission Notice 2007-43 *Relief for Venture Issuers from Certain Certification Requirement: Blanket Order No. 52-501*.

In Ontario, the CEO and CFO certification requirements in the Current Materials as they apply to venture issuers are set out in Ontario Securities Commission Staff Notice 52-717 *Certification of Annual and Interim Certificates – Venture Issuer Basic Certificates*. This staff notice will be withdrawn in Ontario effective December 15, 2008.

Questions

Please refer your questions to any of:

Ontario Securities Commission

Marion Kirsh
Associate Chief Accountant
(416) 593 8282
mkirsh@osc.gov.on.ca

Sandra Heldman
Senior Accountant, Corporate Finance
(416) 593 2355
sheldman@osc.gov.on.ca

Jason Koskela
Legal Counsel, Corporate Finance
(416) 595 8922
jkoskela@osc.gov.on.ca

British Columbia Securities Commission

Carla-Marie Hait
Chief Accountant, Corporate Finance
(604) 899 6726
chait@bcsc.bc.ca

Sheryl Thomson
Senior Legal Counsel, Corporate Finance
(604) 899 6778
sthomson@bcsc.bc.ca

Alberta Securities Commission

Fred Snell
Chief Accountant
(403) 297 6553
fred.snell@seccom.ab.ca

Kari Horn
General Counsel
(403) 297 4698
kari.horn@seccom.ab.ca

Patricia van de Sande
Securities Analyst
(403) 355 4474
patricia.vandesande@seccom.ab.ca

Manitoba Securities Commission

Bob Bouchard
Director, Corporate Finance
(204) 945 2555
bob.bouchard@gov.mb.ca

Autorité des marchés financiers

Sylvie Anctil-Bavas
Chef comptable
(514) 395 0337, poste 4291
sylvie.anctil-bavas@lautorite.qc.ca

Nicole Parent
Analyste, Direction des marchés des capitaux
(514) 395 0337, poste 4455
nicole.parent@lautorite.qc.ca

August 15, 2008

APPENDIX A

LIST OF COMMENTERS

Company	Name of Commenter/Commenters
Aecon Group, Inc.	Robert W. McColm
Bombardier Inc.	Daniel Desjardins and Pierre Alary
Canadian Bankers Association	Nathalie Clark
John S. Cochrane	
Canfor Corporation	Thomas Sitar
Caisse de depot et placement du Québec	Ghislain Parent
Deloitte & Touche LLP	
Ensign Energy Services Inc.	Glenn Dagenais
Ernst & Young LLP	
Fort Chicago Energy Partners	Hume D. Kyle
Glenidan Consultancy Ltd.	Philip Maguire
Grant Thornton LLP and Raymond Chabot Grant Thornton LLP	Tom Forestell and Susan Quig
High Liner Foods Incorporated	Michael Whitehead
The Institute of Internal Auditors Canada	Todd Horbasenko
International Forest Products Limited	John Horning
KPMG LLP	Laura Moschitto
Manitoba Telecom Services Inc.	Donald G. Welham
Mouvement des caisses Desjardins	Yves Morency
Parkland Income Fund	John G. Schroeder
Pembina Pipeline Corporation	Claudia D'Orazio
PricewaterhouseCoopers LLP	
Red Back Mining Inc.	Alessandro Bitelli
SNC-Lavalin Group Inc.	Gilles Laramée
Sun-Rype Products Ltd.	Gary A. Pearson
TELUS Corporation	Robert G. McFarlane
TMX Group Inc.	Richard Nadeau
West Fraser Timber Co. Ltd.	Martti Solin
WestJet Airlines Ltd.	Vito Culmone
XS Cargo GP Inc.	Michael McKenna

APPENDIX B

SUMMARY OF COMMENTS AND CSA RESPONSES

PROPOSED NATIONAL INSTRUMENT 52-109
CERTIFICATION OF DISCLOSURE IN ISSUERS' ANNUAL AND INTERIM FILINGS

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18. Part 15 – Venture Issuer Basic Certificates
    1. General comments
    2. Section 15.3 Voluntary disclosure regarding DC&P and ICFR

Legend:

CICA:	Canadian Institute of Chartered Accountants
DC&P:	disclosure controls and procedures
ICFR:	internal control over financial reporting
IFRS:	International Financial Reporting Standards
PCAOB:	Public Company Accounting Oversight Board
SOX:	Sarbanes-Oxley Act
VIE:	variable interest entity

#	Theme	Comments	Responses
	1. GENERAL COMMENTS		
1.	General support for the principles underlying the Instrument and Companion Policy as published	Thirteen commenters express their general support for the approach taken. Four commenters express their support for the venture issuer basic certificate.	We thank the commenters for their support.
2.	General concern regarding the Instrument and Companion Policy as published	Costs of Compliance One commenter believes that costs of compliance outweigh any potential gains. Absence of Attestation Requirement Two commenters do not support the absence of a requirement for an external audit opinion.	We believe that the proposed revisions to National Instrument 52-109 adequately address the concerns raised and the benefits to the marketplace as a whole outweigh the costs. We continue to believe the benefits associated with requiring an issuer to obtain from its auditor an opinion on the effectiveness of ICFR do not exceed the costs.
	INSTRUMENT COMMENTS		
	2. PART 1 – DEFINITIONS AND APPLICATION		
1.	Definitions	Weakness in DC&P Two commenters question whether the term material weakness should apply to DC&P in addition to ICFR. Four commenters believe a definition should be provided for a weakness that is significant. One commenter requests clarification as to whether the term "significant" is a lower threshold than "material weakness". Material Weakness Four commenters express their support for aligning the definition of "material weakness" with the SEC's definition and not requiring remediation of a material weakness. One commenter suggests amending the definition of material weakness to clarify what is meant by "material".	We have proposed to adopt the term "material weakness" as defined by the SEC. This definition only relates to ICFR. The identification of weaknesses in DC&P and their relationship to ICFR is addressed in Part 10 of the Companion Policy. Guidance has been added to section 10.1 of the Companion Policy to assist certifying officers in determining the effectiveness of DC&P. We thank the commenters for their support. We believe the guidance in Part 9 of the Companion Policy is sufficient for the certifying officers of an issuer to determine whether a material weakness exists in the context of the issuer's business.

#	Theme	Comments	Responses
	3. PART 3 – DC&P AND ICFR		
1.	Section 3.3 Limitations on scope of design	Four commenters express their support for the scope limitation of 365 days. Two commenters believe the scope limitation of 365 days for a newly acquired business is not sufficient. Reasons cited include: - acquired businesses may have significantly different processes, procedures and technologies - resources are limited and focused on integration of the business - complexities of cross-border acquisitions require additional time One commenter noted an inconsistency between the requirements of section 3.3 of the Instrument and the guidance in subsection 13.3(4) of the Companion Policy. The guidance states that the scope limitation is only available in cases where the certifying officers do not have sufficient access to design and evaluate the controls, policies and procedures carried out by the underlying entity.	We thank the commenters for their support. We do not believe a further extension of the scope limitation is necessary or appropriate. We agree and have amended section 3.3 of the Instrument.
2.	Section 3.4 Use of a Control Framework for the design of ICFR	Four commenters express their support for the requirement to use a control framework to design ICFR. One commenter believes the absence of a suitable control framework for smaller issuers will pose a significant challenge for them. The commenter suggests the CSA create or support a task force to develop a principles-based internal control framework for smaller issuers.	We thank the commenters for their support. We believe that all issuers will be able to comply with the certification requirements, including the requirement to use a control framework to design ICFR. We do not believe the CSA is the appropriate body to create a task force to develop a control framework.
	4. PART 4 – CERTIFICATION OF ANNUAL FILINGS		
1.	Section 4.3 Alternative form of annual certificate for first financial period after initial public offering	One commenter expresses support for the 90-day scope limitation for IPOs and RTOs. One commenter notes that there is a tremendous level of effort required to complete an initial public offering and permitting a delay of greater than 90 days for filing a full certificate may have some merit.	We thank the commenter for the support. We continue to propose that certifying officers be required to certify the design of ICFR for the annual or interim period that follows the first filing after an issuer becomes a reporting issuer. Since certifying officers have access to design ICFR prior to the issuer becoming a reporting issuer, we believe investors are entitled to expect that the certifying officers will be able to comply with the certification requirements within a relatively short period of time after the issuer becomes a reporting issuer.

#	Theme	Comments	Responses
	5. PART 9 – EFFECTIVE DATE		
1.	General comments	Effective Date Eighteen commenters believe the effective date should be extended. Reasons cited include: • Eleven commenters indicate that it will be difficult for them to properly plan, resource and execute an efficient and cost-effective compliance program for 2008. • Six commenters indicate that because of scarce resources, competing priorities and uncertainties around the finalization of NI 52-109 they have been reluctant to do all of the work necessary to comply with NI 52-109 until it is finalized. • Four commenters note that the transition to IFRS is a competing priority for scarce resources. • Two commenters raise the concern that additional effort will be required due to the requirement to use a control framework.	We acknowledge the concerns related to timing. In response to these concerns we published CSA Staff Notice 52-322 to provide issuers with advanced notice of our intentions. In addition, we accelerated our publication timelines for the finalization of NI 52-109. We continue to propose an effective date of December 15, 2008 for the following reasons: • We expect most issuers to do the bulk of their work relating to IFRS conversion in 2009 and 2010, so it would be better for issuers to have completed the work relating to implementing NI 52-109 in 2008. • Certifying officers of non-venture issuers are currently required to certify that they have evaluated the effectiveness of DC&P. There is substantial overlap between DC&P and ICFR. NI 52-109 will close the gap in current certification requirements relating to the evaluation of DC&P and ICFR. • We believe there is adequate time to prepare the last piece of the certification requirement between now and the first filing deadline, which will be in March 2009. • We published this date in April 2008 and have consistently referred to this date since then.
		One commenter suggests guidance be provided for issuers filing a certificate after the effective date for a financial period ending prior to the effective date.	We believe subsection 1.2(2) of the Instrument provides sufficient clarity regarding the effective date.
		Early Adoption One commenter believes early adoption of the instrument should be allowed.	We expect few, if any, issuers will want to adopt the new instrument early. Therefore we do not think it is appropriate to change the instrument to permit early adoption.

#	Theme	Comments	Responses
	6. ANNUAL AND INTERIM CERTIFICATES		
1.	General Certificate Comments	Modification to Certificates One commenter believes paragraph 5(b) of Forms 52-109F1 and 52-109F2 should refer to accounting standards as opposed to GAAP in preparation for Canada's convergence to IFRS. One commenter questions why Forms 52-109F1, 52-109F1-IPO/RTO and 52-109FV1 contain the phrase "AIF, if any" when only venture issuers have the option to file an AIF and would then file Form 52-109F1-AIF. Reporting Changes in ICFR One commenter believes that changes in ICFR that have no material impact on ICFR should not be disclosed in the MD&A. One commenter believes a material change in ICFR should not be reported where the risk is low or non-existent that a material misstatement will not be prevented or detected on a timely basis.	Paragraph 5(b) of Forms 52-109F1 and 52-109F2 refers to the "issuer's GAAP" which is a defined term that is broad enough to include IFRS. A venture issuer may voluntarily file Form 52-109F1 even if it does not prepare an AIF. Form 52-109F1-AIF is only used if a venture issuer voluntarily files an AIF after filing its annual financial statements, MD&A and certificates. Under paragraph 7 of Form 52-109F1 and paragraph 6 of Form 52-109F2, "Reporting changes in ICFR", the certifying officers are only required to report a change that has "materially affected or is reasonably likely to materially affect the issuer's ICFR".
2.	Annual Certificates	One commenter suggests that an issuer with no material weaknesses should be able to mark subsections (ii), (iii) and (iv) of paragraph 6(b) in Form 52-109F1 as "n/a".	We agree with the comment and have amended Form 52-109F1.
3.	Interim Certificates	One commenter notes that SOX does not require disclosure of material weaknesses on an interim basis. The commenter believes interim disclosure of material weaknesses in the design of ICFR will be onerous for inter-listed issuers.	We believe the disclosure requirements in paragraph 5.2 of Form 52-109F2 are a logical extension of the requirement to certify design in paragraph 5.
	COMPANION POLICY COMMENTS		
	7. PART 1 – GENERAL		
1.		One commenter believes the guidance in section 1.3 of the Companion Policy should be clarified so that venture issuers electing to file a Form 52-109F1 or 52-109F2 know they should follow the guidance in Parts 5 through 14 of the Companion Policy.	We believe the guidance is sufficiently clear.
2.		One commenter recommends there be specific guidance requiring the implementation of an ethics hot line as a cost effective way to promote and enforce accountability within an organization.	We believe this concern is addressed by subsection 2.3(7) of NI 52-110 *Audit Committees* which states "an audit committee must establish procedures for "(a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal controls, or auditing matters; and (b) the confidential anonymous submission by employees of the issuer of concerns regarding questionable

#	Theme	Comments	Responses
			accounting or auditing matters".
3.		One commenter believes that issuers should clearly state in the MD&A that "Management's report on internal control over financial reporting was not subject to audit by the Company's external auditor". The commenter believes this will help reduce confusion in the marketplace as cross-listed issuers will be subject to an audit.	We believe the Canadian marketplace is well aware that a Canadian company that is not cross-listed is not required to obtain an audit of internal control over financial reporting.
	8. PART 5 – CONTROL FRAMEWORKS FOR ICFR		
1.	Section 5.2 Scope of control frameworks	One commenter believes the guidance in section 5.2 of the Companion Policy should make reference to principle 14 and the tools found in COSO's guidance for smaller public companies and believes too much prominence has been given to the publication from IT Governance Institute.	Section 5.1 of the Companion Policy includes a reference to the COSO's guidance for smaller public companies.
	9. PART 6 – DESIGN OF DC&P AND ICFR		
1.	Section 6.1 General	One commenter recommends that the Companion Policy indicate where internal audit could assist with the design and evaluation of DC&P and ICFR.	We do not believe additional guidance is needed. Consideration of the internal audit function is noted in paragraph 6.13(c) of the Companion Policy.
2.	Section 6.3 Reasonable assurance	One commenter recommends expanding the guidance in section 6.3 of the Companion Policy relating to reasonable assurance.	With the adoption of "material weakness" we have revised our guidance to be similar to that included in the SEC's *Commission Guidance Regarding Management's Report on ICFR*. We believe the guidance relating to reasonable assurance in section 6.3 of the Companion Policy is sufficiently clear.
3.	Section 6.6 Risk considerations for designing DC&P and ICFR	One commenter believes the guidance provided in section 6.6 of the Companion Policy only focuses on the regulatory requirements rather than designing controls.	We disagree. The guidance was developed using various auditing standards, including CICA handbook section 5925 and PCAOB Auditing Standards No. 2 and No. 5. In addition, section 6.14 of the Companion Policy discusses how to enhance the efficiency and effectiveness of the designs.
		One commenter suggests that further guidance should be provided relating to fraud risk to include all information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities regulation.	We agree and have amended the guidance in subsection 6.6(3) of the Companion Policy.
		One commenter continues to believe guidance around an adequate assessment of fraud would be helpful to issuers.	We do not propose to include additional guidance since these are decisions that would be made by the certifying officers based on the issuer's facts and circumstances using a top-down, risk-based

#	Theme	Comments	Responses
			approach.
4.	Section 6.11 ICFR design challenges	One commenter suggests that two of the examples provided in section 6.11 of the Companion Policy are prohibited by the auditor independence rules. One commenter does not see the value in providing the guidance in section 6.11 of the Companion Policy on ICFR design challenges. If retained the commenter does not agree with the statement in paragraph 6.11(d) relating to the auditor's expert advice that states "this type of arrangement should not be considered a component of ICFR". Another commenter suggests that the removal of guidance relating to an auditor providing services to mitigate risks raises the question of whether auditor services with respect to design are part of an issuer's controls, or alternatively, mitigating procedures.	We disagree. In some instances the auditor independence rules allow for auditor involvement depending on the size of the issuer. We disagree with the commenter. We have clarified one sentence in section 6.11 of the Companion Policy by deleting the word "compensate" and inserting "provide" to avoid any confusion between the guidance in section 6.11 and the concept of compensating controls discussed in subsection 9.1(3) of the Companion Policy. Even though independence rules may permit an external auditor to perform certain services, we do not believe that this should be considered a component of the issuer's ICFR.
5.	Section 6.15 Documenting design	One commenter believes the guidance provided in subsection 6.15(4) of the Companion Policy should focus on the risk of misstatement as opposed to the process or flow. In addition the commenter believes some guidance should be provided on adapting the extent of documentation to the situation. One commenter believes it is not necessary to distinguish controls over safeguarding of assets in paragraph 6.15(4)(g) of the Companion Policy.	We agree, and have amended the guidance in subsection 6.15(1) of the Companion Policy to provide further information on adapting the extent of documentation. We disagree with the commenter. We believe the controls over safeguarding of assets form a part of the issuer's ICFR, as indicated by the definition of ICFR.
	10. PART 7 – EVALUATING OPERATING EFFECTIVENESS OF DC&P AND ICFR		
1.	Section 7.5 Use of an external auditor or other third party	One commenter believes that the Companion Policy should include a statement that an audit of internal control is not a substitute for the certifying officer's own evaluation. One commenter suggests expanding the guidance in section 7.5 of the Companion Policy to clarify the roles of management and the auditors. The commenter suggested wording similar to that used by the SEC.	We believe the guidance in section 7.5 of the Companion Policy clearly indicates that the certifying officers have responsibility for their own evaluation regardless of the auditor's involvement. We do not believe that additional disclosure regarding the use of an external auditor is necessary or appropriate in the Companion Policy.
2.	Section 7.8 Walkthroughs	One commenter suggests that including a section on walkthroughs makes it appear as a requirement when the commenter believes it would be more efficient for an issuer to proceed directly to testing.	The guidance in section 7.8 of the Companion Policy clearly states that walkthroughs are a tool that "can assist" a certifying officer.
3.	Section 7.10 Self-assessments	Two commenters believe further guidance should be provided relating to self-assessments.	We agree and have amended the guidance in section 7.10 of the Companion Policy to indicate that, where one certifying officer performs a self-assessment, it is appropriate for

#	Theme	Comments	Responses
			the other certifying officer to perform direct testing of the control.
4.	Section 7.11 Timing of evaluation	One commenter suggests providing examples of controls that could be tested before or after year end, such as controls that have documented attributes.	We believe the guidance in section 7.11 of the Companion Policy is clear.
	11. PART 8 – USE OF A SERVICE ORGANIZATION OR SPECIALIST FOR AN ISSUER'S ICFR		
1.	Section 8.1 Use of a service organization	One commenter believes the example in section 8.1 of the Companion Policy should not be payroll as the commenter believes this is a low risk area and the example isn't consistent with a risk-based approach. One commenter suggests clarifying the definition of "significant process" within section 8.1 of the Companion Policy as the term may be viewed in a broader context than was intended. One commenter suggests eliminating the word "compensating" in paragraph 8.1(c) of the Companion Policy as the controls do not need to be compensating.	We believe certifying officers need to determine the risks within their own organization. Payroll may be an area of significant risk to an organization based on its facts and circumstances. We believe the reference in subsection 6.6(2) of the Companion Policy appropriately focuses on the relevance of risk assessment in determining the scope of an issuer's DC&P and ICFR. We agree and have modified the guidance in paragraph 8.1(c) of the Companion Policy.
2.	Section 8.5 Use of a specialist	One commenter recommends adding guidance indicating that management accepts responsibility for the results of the service expert's work. If an error is found in the specialist's work, management must evaluate the severity of the deficiency and consider whether it represents a material weakness.	We believe that the guidance in section 8.5 of the Companion Policy regarding use of a specialist is clear.
	12. PART 9 – MATERIAL WEAKNESS		
1.	Section 9.1 Identifying a deficiency in ICFR	Two commenters believe the distinction between compensating controls and mitigating procedures is confusing. The commenters recommend that additional examples be provided in paragraph 9.1(3)(b) of the Companion Policy. One commenter recommends clarifying that a control deficiency that has been compensated for remains a control deficiency.	We have included additional guidance in subsection 9.1(3) of the Companion Policy to clarify the distinction between compensating controls and mitigating procedures and the fact that mitigating procedures do not eliminate the existence of a material weakness.
2.	Section 9.6 Disclosure of a material weakness	One commenter recommends that, due to the overlap between design and operation of ICFR, the guidance should state that all material weaknesses should be disclosed. One commenter suggests that disclosure of a material weakness relating to design should focus on material information as required by Part 1(e) of NI 51-102F1 *Management's Discussion and Analysis.*	We believe the guidance in subsections 9.6(1) and (2) of the Companion Policy makes it sufficiently clear that either a material weakness in design or a material weakness in operation would have to be disclosed. We do not believe that additional guidance is necessary.
3.	Section 9.7 Disclosure of remediation plans and actions	One commenter believes the guidance in section 9.7 of the Companion Policy discussing mitigating procedures in the case where an issuer is not remediating a material weakness might be misleading. The commenter recommends deleting this guidance.	We have added guidance to subsection 9.1(3) of the Companion Policy that states if an issuer discusses mitigating procedures in its MD&A, the issuer should not imply

#	Theme	Comments	Responses
	undertaken	One commenter expects management to have a plan for remediation otherwise the auditor would be unable to issue an unreserved audit opinion.	that the procedures eliminate the existence of a material weakness. We believe an auditor plans its audit considering but not necessarily relying on the control environment and would refer to CICA Handbook Section 5220 in the case of a weakness in internal control.
	13. PART 10 – WEAKNESS IN DC&P THAT IS SIGNIFICANT		
1.	Section 10.1 Conclusions on effective-ness of DC&P if a weakness exists that is significant	Two commenters believe additional guidance should be provided in section 10.1 of the Companion Policy to help issuers apply the standard consistently.	Guidance has been added to section 10.1 of the Companion Policy to assist certifying officers in determining the effectiveness of DC&P.
2.	Section 10.3 Certification of DC&P if a material weakness in ICFR exists	One commenter suggests that given the overlap between DC&P and ICFR the term “often” in section 10.3 of the Companion Policy should be replaced with “always” or “almost always” and an issuer should be required to explain if they concluded DC&P is effective if ICFR is not effective.	We agree and have amended the guidance in section 10.3 of the Companion Policy to say “almost always”.
	14. PART 11 – REPORTING CHANGES IN ICFR		
1.	Section 11.1 Assessing materiality of a change in ICFR	One commenter recommends providing further guidance to assist reporting issuers with assessing the materiality of a change in ICFR. The commenter recommends that the guidance include consideration of selected factors, such as context and materiality when assessing changes in ICFR to be disclosed and that the example of a payroll conversion be removed.	We believe the guidance in section 11 of the Companion Policy is appropriate. The certifying officers would assess the materiality of a change in ICFR based on the issuer’s facts and circumstances.
	15. PART 12 – ROLE OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEE		
1.	Section 12.2 Audit committee	One commenter feels the CSA should not have removed the requirement that certifying officers must disclose to the audit committee all significant deficiencies in the design or operation of ICFR.	The lack of a requirement to report to the audit committee does not preclude an audit committee from requesting that certifying officers bring any significant deficiencies to its attention.
	16. PART 13 – CERTAIN LONG TERM INVESTMENTS		
1.	Section 13.3 Design and evaluation of DC&P and ICFR	One commenter believes the disclosure in subsection 13.3(4) of the Companion Policy would be enhanced by the addition of “that will not be prevented or detected on a timely basis” after each instance of “material misstatement”. One commenter believes certifying officers should consider whether portfolio investments and equity investments referred to in subsection 13.3(5) of the Companion Policy include risks that could reasonably result in a material misstatement in the issuer's annual	We do not believe the Companion Policy would be enhanced by this addition. We have amended subsection 13.3(5) of the Companion Policy to clearly indicate that an issuer should address controls over its disclosure of material information. Although subsection 13.3

#	Theme	Comments	Responses
		filings, interim filings or other reports.	(5) of the Companion Policy does not specifically refer to risks, certifying officers must consider risks when addressing the issuer's controls over its disclosure relating to its portfolio investments and equity investments. Section 6.6 of the Companion Policy gives guidance for the identification of risks that could reasonably result in a material misstatement.
	17. PART 14 – BUSINESS ACQUISITIONS		
1.	Section 14.1 Access to acquired business	Two commenters believe that section 14.1 of the Companion Policy should be clarified to indicate that the scope limitation for a business acquisition should only be taken subject to materiality. One commenter also suggests that, subject to materiality, aggregated summary financial information for business combinations should be allowed as it is for proportionately consolidated entitles and VIEs.	We agree and have amended the guidance in section 14.2 of the Companion Policy to clarify that the scope limitation is only relevant for material business acquisitions. We have revised the Companion Policy to indicate that summary information may be disclosed for related businesses in the case of an acquisition of related businesses, as that term is used in NI 51-102 *Continuous Disclosure Obligations*.
	18. PART 15 – VENTURE ISSUER BASIC CERTIFICATES		
1.	General comments	One commenter believes more emphasis should be given to the general expectations for management of all issuers regarding their certification obligations, particularly the “no misrepresentations” requirements.	We believe that Parts 1 and 4 of the Companion Policy appropriately address the purpose of the certification requirements, including representations relating to fair presentation, financial condition and reliability of financial reporting.
2.	Section 15.3 Voluntary disclosure regarding DC&P and ICFR	One commenter believes it would be beneficial to provide venture issuers with additional guidance on their disclosure expectations. The commenter suggested guidance on the following: • What should be disclosed in the MD&A? • Should material weaknesses be disclosed? • If disclosing a material weakness, should the venture issuer’s disclosure be the same as the disclosure requirements of section 5.2 and 6(b) of Form 52-109F1? One commenter suggests “and has not completed such an evaluation” should be added to the venture issuer’s qualifying statement in the MD&A which currently states “the venture issuer is not required to certify the design and evaluation of the issuer’s DC&P and ICFR”.	We believe the guidance in section 15.3 of the Companion Policy clearly states that a venture issuer filing a basic certificate “is not required to discuss in its annual or interim MD&A the design or operating effectiveness of DC&P or ICFR”. We agree and have added the suggested phrase to the guidance in section 15.3 of the Companion Policy.

APPENDIX C

SUMMARY OF CHANGES

New Rule

Part 3 – DC&P and ICFR

We have conformed section 3.3 of the New Rule with the guidance in the New Policy to clarify the circumstances where a non-venture issuer may limit its design of DC&P or ICFR to exclude controls, policies and procedures of a proportionately consolidated entity or variable interest entity in which it has an interest. This change is consistent with the discussions of scope limitations in the companion policies published for comment on April 18, 2008 and March 30, 2007. Subsection 3.3(3) of the New Rule indicates that an issuer must not limit its design of DC&P or ICFR except in circumstances where the certifying officers would not have a reasonable basis for making the representations in the annual or interim certificates because they do not have sufficient access to a proportionately consolidated entity or variable interest entity, as applicable, to design and evaluate controls, policies and procedures carried out by that entity.

New Policy

The New Policy contains expanded guidance on various topics including:

- Compensating controls versus mitigating procedures – Further guidance is provided to indicate that mitigating procedures can reduce financial reporting risks but do not eliminate the existence of the material weakness.

- Weakness in DC&P – Guidance is provided to assist issuers in determining when a weakness in DC&P is significant.

- Self-assessments – Guidance is provided to indicate that, where one certifying officer performs a self-assessment, it is appropriate for the other certifying officer to perform direct testing of the control to enable each officer to have a basis for signing the certificate.

- Business acquisitions – Guidance is provided to indicate that, when determining whether a scope limitation exists for a business acquisition, certifying officers must initially consider whether an acquired business includes risks that could reasonably result in a material misstatement in the issuer's annual filings, interim filings or other reports. The guidance also clarifies that an issuer may present summary financial information on a combined basis in the case of related businesses.

APPENDIX D

CONSEQUENTIAL AMENDMENTS

AMENDMENT INSTRUMENT FOR
FORM 51-102F1 *MANAGEMENT'S DISCUSSION & ANALYSIS* OF
NATIONAL INSTRUMENT 51-102 *CONTINUOUS DISCLOSURE OBLIGATIONS*

1. This Instrument amends Form 51-102F1 Management's Discussion & Analysis.

2. Item 1.15 is amended by striking out the following instruction:

"*INSTRUCTION*

Your company may also be required to provide additional disclosure in its MD&A as set out in Form 52-109F1 Certification of Annual Filings *and Form 52-109F2* Certification of Interim Filings."

3. Item 1.15 is amended by adding the following paragraph after paragraph 1.15(b):

"(c) Your MD&A must include the MD&A disclosure required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and, as applicable, Form 52-109F1 *Certification of Annual Filings – Full Certificate*, Form 52-109F1R *Certification of Refiled Annual Filings*, or Form 52-109F1 *AIF Certification of Annual Filings in Connection with Voluntarily Filed AIF*."

4. Item 2 is amended by adding the following section after section 2.2:

"*2.3 – Other Interim MD&A Requirements*

Your interim MD&A must include the interim MD&A disclosure required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and, as applicable, Form 52-109F2 *Certification of Interim Filings – Full Certificate* or Form 52-109F2R *Certification of Refiled Interim Filings*."

5. This amendment comes into force on December 15, 2008.

APPENDIX E

EXEMPTION INSTRUMENTS

Jurisdiction	Instrument	Effective Date
BC	BCI 52-511 *Relief for venture issuers from certain certification requirements*	November 23, 2007
AB	MI 52-109 Exemptive Relief, 2007 ABASC 836 *Certain Certification Requirements: Relief for Venture Issuers*	November 23, 2007
SK	GRO 52-905 *Relief from Certification Requirements in National Instrument 52-109*	November 27, 2007
MB	Blanket Order No. 52-501 *Relief for Venture Issuers from Certain Certification Requirement*	November 23, 2007
QC	DÉCISION N° 2007-PDG-0203 *Règlement 52-109 sur l'attestation de l'information présentée dans les documents annuels et intermédiaires des émetteurs*	November 23, 2007
NL	Blanket Order 55 *In the Matter of Certain Certification Requirements: Relief for Venture Issuers*	December 17, 2007
NB	Blanket Order 52-501 *In the Matter of Certification Requirements: Relief for Venture Issuers*	November 26, 2007
NS	Blanket Order No. 52-501 *In the Matter of Certification Requirements: Relief for Venture Issuers*	December 10, 2007
PE	Blanket Order No. 52-501 *In the Matter of Certain Certification Requirements: Relief for Venture Issuers*	March 17, 2008
NT	Blanket Order No. 10 *In the Matter of Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*	January 23, 2008
NU	Blanket Order No. 10 *In the Matter of Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings*	August 6, 2008
YK	Superintendent's Order 2008/07 *(52-109 Certain Certification Requirements: Relief for Venture Issuers)*	August 8, 2008

NATIONAL INSTRUMENT 52-109
CERTIFICATION OF DISCLOSURE IN ISSUERS' ANNUAL AND INTERIM FILINGS

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Form 52-109F2	Certification of interim filings – full certificate
Form 52-109FV2	Certification of interim filings – venture issuer basic certificate
Form 52-109F2 – IPO/RTO	Certification of interim filings following an initial public offering, reverse takeover or becoming a non-venture issuer
Form 52-109F2R	Certification of refiled interim filings

PART 1 – DEFINITIONS AND APPLICATION

1.1 **Definitions** – In this Instrument,

"AIF" has the meaning ascribed to it in NI 51-102;

"accounting principles" has the meaning ascribed to it in NI 52-107;

"annual certificate" means the certificate required to be filed under Part 4 or section 6.1;

"annual filings" means an issuer's AIF, if any, its annual financial statements and its annual MD&A filed under securities legislation for a financial year, including, for greater certainty, all documents and information that are incorporated by reference in the AIF;

"annual financial statements" means the annual financial statements required to be filed under NI 51-102;

"certifying officer" means each chief executive officer and each chief financial officer of an issuer, or in the case of an issuer that does not have a chief executive officer or a chief financial officer, each individual performing similar functions to those of a chief executive officer or chief financial officer;

"DC&P" means disclosure controls and procedures;

"disclosure controls and procedures" means controls and other procedures of an issuer that are designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the issuer's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure;

"financial period" means a financial year or an interim period;

"ICFR" means internal control over financial reporting;

"internal control over financial reporting" means a process designed by, or under the supervision of, an issuer's certifying officers, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP and includes those policies and procedures that:

(a) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;

(b) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the issuer's GAAP, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and

(c) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the annual financial statements or interim financial statements;

"interim certificate" means the certificate required to be filed under Part 5 or section 6.2;

"interim filings" means an issuer's interim financial statements and its interim MD&A filed under securities legislation for an interim period;

"interim financial statements" means the interim financial statements required to be filed under NI 51-102;

"interim period" has the meaning ascribed to it in NI 51-102;

"issuer's GAAP" has the meaning ascribed to it in NI 52-107;

"marketplace" has the meaning ascribed to it in National Instrument 21-101 *Marketplace Operation*;

"material weakness" means a deficiency, or a combination of deficiencies, in ICFR such that there is a reasonable possibility that a material misstatement of the reporting issuer's annual or interim financial statements will not be prevented or detected on a timely basis;

"MD&A" has the meaning ascribed to it in NI 51-102;

"NI 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"NI 52-107" means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"non-venture issuer" means a reporting issuer that is not a venture issuer;

"proportionately consolidated entity" means an entity in which an issuer has an interest that is accounted for by combining, on a line-by-line basis, the issuer's *pro rata* share of each of the assets, liabilities, revenues and expenses of the entity with similar items in the issuer's financial statements;

"reverse takeover" has the meaning ascribed to it in NI 51-102;

"reverse takeover acquiree" has the meaning ascribed to it in NI 51-102;

"reverse takeover acquirer" has the meaning ascribed to it in NI 51-102;

"Sarbanes-Oxley Act" means the Sarbanes-Oxley Act of 2002 of the United States of America, Pub.L. 107-204, 116 Stat. 745 (2002), as amended from time to time;

"SOX 302 Rules" means U.S. federal securities laws implementing the annual report certification requirements in section 302(a) of the Sarbanes-Oxley Act;

"SOX 404 Rules" means U.S. federal securities laws implementing the internal control report requirements in sections 404(a) and (b) of the Sarbanes-Oxley Act;

"U.S. marketplace" has the meaning ascribed to it in NI 51-102;

"variable interest entity" has the meaning ascribed to it in the issuer's GAAP; and

"venture issuer" means a reporting issuer that, as at the end of the period covered by the annual or interim filings, as the case may be, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

1.2 **Application**

(1) This Instrument applies to a reporting issuer other than an investment fund.

(2) This Instrument applies in respect of annual filings and interim filings for financial periods ending on or after December 15, 2008.

PART 2 – CERTIFICATION OBLIGATION

2.1 **Certifying officers' certification obligation** – Each certifying officer must certify the matters prescribed by the required form that must be filed under Part 4 or Part 5.

PART 3 – DC&P AND ICFR

3.1 **Establishment and maintenance of DC&P and ICFR** – A non-venture issuer must establish and maintain DC&P and ICFR.

3.2 **MD&A disclosure of material weakness** – Despite section 3.1, if a non-venture issuer determines that it has a material weakness which exists as at the end of the period covered by its annual or interim filings, as the case may be, it must disclose in its annual or interim MD&A for each material weakness

(a) a description of the material weakness;

(b) the impact of the material weakness on the issuer's financial reporting and its ICFR; and

(c) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.

3.3 **Limitations on scope of design**

(1) Despite section 3.1, a non-venture issuer may limit its design of DC&P or ICFR to exclude controls, policies and procedures of

(a) subject to subsection (3), a proportionately consolidated entity or a variable interest entity in which the issuer has an interest; or

(b) subject to subsection (4), a business that the issuer acquired not more than 365 days before the end of the financial period to which the certificate relates.

(2) An issuer that limits its design of DC&P or ICFR under subsection (1) must disclose in its MD&A

(a) the limitation; and

(b) summary financial information about the proportionately consolidated entity, variable interest entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

(3) An issuer must not limit its design of DC&P or ICFR under paragraph (1)(a) except where the certifying officers would not have a reasonable basis for making the representations in the annual or interim certificates because they do not have sufficient access to a proportionately consolidated entity or variable interest entity, as applicable, to design and evaluate controls, policies and procedures carried out by that entity.

(4) An issuer must not limit its design of DC&P or ICFR under paragraph (1)(b) except in the case of

(a) an annual certificate relating to the financial year in which the issuer acquired the business; and

(b) an interim certificate relating to the first, second or third interim period ending on or after the date the issuer acquired the business.

3.4 **Use of a control framework for the design of ICFR**

(1) A non-venture issuer must use a control framework to design the issuer's ICFR.

(2) If a venture issuer files a Form 52-109F1 or Form 52-109F2 for a financial period, the venture issuer must use a control framework to design the issuer's ICFR.

PART 4 – CERTIFICATION OF ANNUAL FILINGS

4.1 **Requirement to file**

(1) A reporting issuer must file a separate annual certificate in the wording prescribed by the required form

(a) for each individual who, at the time of filing the annual certificate, is a certifying officer; and

(b) signed by the certifying officer.

(2) A reporting issuer must file a certificate required under subsection (1) on the later of the dates on which it files the following:

(a) its AIF if it is required to file an AIF under NI 51-102; or

(b) its annual financial statements and annual MD&A.

(3) If a venture issuer voluntarily files an AIF for a financial year after it has filed its annual financial statements, annual MD&A and annual certificates for the financial year, the venture issuer must file on the same date that it files its AIF a separate annual certificate in the wording prescribed by the required form

(a) for each individual who, at the time of filing the annual certificate, is a certifying officer; and

(b) signed by the certifying officer.

(4) A reporting issuer must file a certificate required under subsection (1) or (3) separately from the documents to which the certificate relates.

4.2 **Required form of annual certificate**

(1) The required form of annual certificate under subsection 4.1(1) is

(a) Form 52-109F1, in the case of an issuer that is a non-venture issuer; and

(b) Form 52-109FV1, in the case of an issuer that is a venture issuer.

(2) Despite subsection (1)(b), a venture issuer may file Form 52-109F1 in the wording prescribed by that Form instead of Form 52-109FV1 for a financial year.

(3) The required form of annual certificate under subsection 4.1(3) is Form 52-109F1 – AIF.

4.3 **Alternative form of annual certificate for first financial period after initial public offering** – Despite subsection 4.2(1), an issuer may file an annual certificate in Form 52-109F1 – IPO/RTO for the first financial year that ends after the issuer becomes a reporting issuer if

(a) the issuer becomes a reporting issuer by filing a prospectus; and

(b) the first financial period that ends after the issuer becomes a reporting issuer is a financial year.

4.4 **Alternative form of annual certificate for first financial period after certain reverse takeovers** – Despite subsection 4.2(1), an issuer may file an annual certificate in Form 52-109F1 – IPO/RTO for the first financial year that ends after the completion of a reverse takeover if

(a) the issuer is the reverse takeover acquiree in the reverse takeover;

(b) the reverse takeover acquirer was not a reporting issuer immediately before the reverse takeover; and

(c) the first financial period that ends after the completion of the reverse takeover is a financial year.

4.5 **Alternative form of annual certificate for first financial period after becoming a non-venture issuer** – Despite subsection 4.2(1), an issuer may file an annual certificate in Form 52-109F1 – IPO/RTO for the first financial year that ends after the issuer becomes a non-venture issuer if the first financial period that ends after the issuer becomes a non-venture issuer is a financial year.

4.6 **Exception for new reporting issuers** – Despite section 4.1, a reporting issuer does not have to file an annual certificate relating to

(a) the annual financial statements required under section 4.7 of NI 51-102 for financial years that ended before the issuer became a reporting issuer; or

(b) the annual financial statements for a reverse takeover acquirer required under section 4.10 of NI 51-102 for financial years that ended before the completion of the reverse takeover.

PART 5 - CERTIFICATION OF INTERIM FILINGS

5.1 **Requirement to file**

(1) A reporting issuer must file a separate interim certificate in the wording prescribed by the required form

(a) for each individual who, at the time of filing the interim certificate, is a certifying officer; and

(b) signed by the certifying officer.

(2) A reporting issuer must file a certificate required under subsection (1) on the same date that the issuer files its interim filings.

(3) A reporting issuer must file a certificate required under subsection (1) separately from the documents to which the certificate relates.

5.2 **Required form of interim certificate**

(1) The required form of interim certificate under subsection 5.1(1) is

(a) Form 52-109F2, in the case of an issuer that is a non-venture issuer; and

(b) Form 52-109FV2, in the case of an issuer that is a venture issuer.

(2) Despite subsection (1)(b), a venture issuer may file Form 52-109F2 in the wording prescribed by that Form instead of Form 52-109FV2 for an interim period.

5.3 **Alternative form of interim certificate for first financial period after initial public offering** – Despite subsection 5.2(1), an issuer may file an interim certificate in Form 52-109F2 – IPO/RTO for the first interim period that ends after the issuer becomes a reporting issuer if

(a) the issuer becomes a reporting issuer by filing a prospectus; and

(b) the first financial period that ends after the issuer becomes a reporting issuer is an interim period.

5.4 **Alternative form of interim certificate for first financial period after certain reverse takeovers** – Despite subsection 5.2(1), an issuer may file an interim certificate in Form 52-109F2 – IPO/RTO for the first interim period that ends after the completion of a reverse takeover if

(a) the issuer is the reverse takeover acquiree in the reverse takeover;

(b) the reverse takeover acquirer was not a reporting issuer immediately before the reverse takeover; and

(c) the first financial period that ends after the completion of the reverse takeover is an interim period.

5.5 **Alternative form of interim certificate for first financial period after becoming a non-venture issuer** – Despite subsection 5.2(1), an issuer may file an interim certificate in Form 52-109F2 – IPO/RTO for the first interim period that ends after the issuer becomes a non-venture issuer if the first financial period that ends after the issuer becomes a non-venture issuer is an interim period.

5.6 **Exception for new reporting issuers** – Despite section 5.1, a reporting issuer does not have to file an interim certificate relating to

(a) the interim financial statements required under section 4.7 of NI 51-102 for interim periods that ended before the issuer became a reporting issuer; or

(b) the interim financial statements for a reverse takeover acquirer required under section 4.10 of NI 51-102 for interim periods that ended before the completion of the reverse takeover.

PART 6 – REFILED FINANCIAL STATEMENTS, MD&A OR AIF

6.1 **Refiled annual financial statements, annual MD&A or AIF** – If an issuer refiles its annual financial statements, annual MD&A or AIF for a financial year, it must file separate annual certificates for that financial year in Form 52-109F1R on the date that it refiles the annual financial statements, annual MD&A or AIF, as the case may be.

6.2 **Refiled interim financial statements or interim MD&A** – If an issuer refiles its interim financial statements or interim MD&A for an interim period, it must file separate interim certificates for that interim period in Form 52-109F2R on the date that it refiles the interim financial statements or interim MD&A, as the case may be.

PART 7 – GENERAL REQUIREMENTS FOR CERTIFICATES

7.1 **Dating of certificates** – A certifying officer must date a certificate filed under this Instrument the same date the certificate is filed.

7.2 **French or English**

(1) A certificate filed by an issuer under this Instrument must be in French or in English.

(2) In Québec, an issuer must comply with linguistic obligations and rights prescribed by Québec law.

PART 8 – EXEMPTIONS

8.1 **Exemption from annual requirements for issuers that comply with U.S. laws**

(1) Subject to subsection (2), Parts 2, 3, 4, 6 and 7 do not apply to an issuer for a financial year if

(a) the issuer is in compliance with the SOX 302 Rules and the issuer files signed certificates relating to its annual report under the 1934 Act separately, but concurrently, and as soon as practicable after they are filed with or furnished to the SEC; and

(b) the issuer is in compliance with the SOX 404 Rules, and the issuer files management's annual report on internal control over financial reporting and the attestation report on management's assessment of internal control over financial reporting included in the issuer's annual report under the 1934 Act for the financial year, if applicable, as soon as practicable after they are filed with or furnished to the SEC.

(2) Despite subsection (1), Parts 2, 3, 4, 6 and 7 apply to an issuer for a financial year if the issuer's annual financial statements, annual MD&A or AIF, that together comprise the issuer's annual filings, differ from the annual financial statements, annual MD&A or AIF filed with or furnished to the SEC, or included as exhibits to other documents filed with or furnished to the SEC, and certified in compliance with the SOX 302 Rules.

8.2 **Exemption from interim requirements for issuers that comply with U.S. laws**

(1) Subject to subsection (3), Parts 2, 3, 5, 6 and 7 do not apply to an issuer for an interim period if the issuer is in compliance with the SOX 302 Rules and the issuer files signed certificates relating to its quarterly report under the 1934 Act for the quarter separately, but concurrently, and as soon as practicable after they are filed with or furnished to the SEC.

(2) Subject to subsection (3), Parts 2, 3, 5, 6 and 7 do not apply to an issuer for an interim period if

(a) the issuer files with or furnishes to the SEC a report on Form 6-K containing the issuer's quarterly financial statements and MD&A;

(b) the Form 6-K is accompanied by signed certificates that are filed with or furnished to the SEC in the same form required by the SOX 302 Rules; and

(c) the issuer files signed certificates relating to the quarterly report filed or furnished under cover of the Form 6-K as soon as practicable after they are filed with or furnished to the SEC.

(3) Despite subsections (1) and (2), Parts 2, 3, 5, 6 and 7 apply to an issuer for an interim period if the issuer's interim financial statements or interim MD&A, that together comprise the issuer's interim filings, differ from the interim financial statements or interim MD&A filed with or furnished to the SEC, or included as exhibits to other documents filed with or furnished to the SEC, and certified in compliance with the SOX 302 Rules.

8.3 **Exemption for certain foreign issuers** – This Instrument does not apply to an issuer if it qualifies under, and is in compliance with, sections 5.4 and 5.5 of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

8.4 **Exemption for certain exchangeable security issuers** – This Instrument does not apply to an issuer if it qualifies under, and is in compliance with, subsection 13.3(2) of NI 51-102.

8.5 **Exemption for certain credit support issuers** – This Instrument does not apply to an issuer if it qualifies under, and is in compliance with, subsection 13.4(2) of NI 51-102.

8.6 **General exemption**

(1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

PART 9 – EFFECTIVE DATE AND REPEAL

9.1 **Effective date** – This Instrument comes into force on December 15, 2008.

9.2 **Repeal** – Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, which came into force on

(a) March 30, 2004, in all jurisdictions other than British Columbia, New Brunswick and Québec,

(b) June 30, 2005, in Québec,

(c) July 28, 2005, in New Brunswick, and

(d) September 19, 2005 in British Columbia,

is repealed.

FORM 52-109F1
CERTIFICATION OF ANNUAL FILINGS
FULL CERTIFICATE

I, ***<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>***, certify the following:

1. ***Review:*** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of ***<identify issuer>*** (the "issuer") for the financial year ended ***<state the relevant date>***.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the financial year end

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is ***<insert the name of the control framework used>*** .

<insert paragraph 5.2 or 5.3 if applicable. If paragraph 5.2 or 5.3 is not applicable, insert "5.2 N/A" or "5.3 N/A" as applicable. For paragraph 5.3, include (a)(i), (a)(ii) or (a)(iii) as applicable, and subparagraph (b).>

5.2 ***ICFR – material weakness relating to design:*** The issuer has disclosed in its annual MD&A for each material weakness relating to design existing at the financial year end

   (a) a description of the material weakness;

   (b) the impact of the material weakness on the issuer's financial reporting and its ICFR; and

   (c) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.

5.3 ***Limitation on scope of design:*** The issuer has disclosed in its annual MD&A

   (a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of

      (i) a proportionately consolidated entity in which the issuer has an interest;

(ii) a variable interest entity in which the issuer has an interest; or

(iii) a business that the issuer acquired not more than 365 days before the issuer's financial year end; and

(b) summary financial information about the proportionately consolidated entity, variable interest entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

<insert subparagraph 6(b)(ii) if applicable. If subparagraph 6(b)(ii) is not applicable, insert "(ii) N/A".>

6. ***Evaluation:*** The issuer's other certifying officer(s) and I have

(a) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and

(b) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A

(i) our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation; and

(ii) for each material weakness relating to operation existing at the financial year end

(A) a description of the material weakness;

(B) the impact of the material weakness on the issuer's financial reporting and its ICFR; and

(C) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.

7. ***Reporting changes in ICFR:*** The issuer has disclosed in its annual MD&A any change in the issuer's ICFR that occurred during the period beginning on ***<insert the date immediately following the end of the period in respect of which the issuer made its most recent interim or annual filing, as applicable>*** and ended on ***<insert the last day of the financial year>*** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

8. ***Reporting to the issuer's auditors and board of directors or audit committee:*** The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of ICFR, to the issuer's auditors, and the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR.

Date: ***<insert date of filing>***

_____
[Signature]
[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

FORM 52-109FV1
CERTIFICATION OF ANNUAL FILINGS
VENTURE ISSUER BASIC CERTIFICATE

I, ***<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>***, certify the following:

1. ***Review:*** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of ***<identify issuer>*** (the "issuer") for the financial year ended ***<state the relevant date>***.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: ***<insert date of filing>***

_____
[Signature]
[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FORM 52-109F1 – IPO/RTO
CERTIFICATION OF ANNUAL FILINGS FOLLOWING
AN INITIAL PUBLIC OFFERING, REVERSE TAKEOVER OR
BECOMING A NON-VENTURE ISSUER

I, ***<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>***, certify the following:

1. ***Review:*** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of ***<identify issuer>*** (the "issuer") for the financial year ended ***<state the relevant date>***.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual filings.

Date: ***<insert date of filing>***

_____
[Signature]
[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

NOTE TO READER

In contrast to the usual certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), namely, Form 52-109F1, this Form 52-109F1 – IPO/RTO does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of an issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 in the first financial period following

- completion of the issuer's initial public offering in the circumstances described in s. 4.3 of NI 52-109;
- completion of a reverse takeover in the circumstances described in s. 4.4 of NI 52-109; or
- the issuer becoming a non-venture issuer in the circumstances described in s. 4.5 of NI 52-109;

may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FORM 52-109F1R
CERTIFICATION OF REFILED ANNUAL FILINGS

This certificate is being filed on the same date that ***<identify the issuer>*** (the "issuer") has refiled ***<identify the filing(s) that have been refiled>***.

I, ***<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>***, certify the following:

1. ***Review:*** I have reviewed the AIF, if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of the issuer for the financial year ended ***<state the relevant date>***.

<Insert all paragraphs included in the annual certificates originally filed with the annual filings, other than paragraph 1. If the originally filed annual certificates were in Form 52-109FV1 or Form 52-109F1 – IPO/RTO, include the "note to reader" contained in Form 52-109FV1 or Form 52-109F1 – IPO/RTO, as the case may be, in this certificate.>

Date: ***<insert date of filing>***

_____
[Signature]
[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

FORM 52-109F1 – AIF
CERTIFICATION OF ANNUAL FILINGS
IN CONNECTION WITH VOLUNTARILY FILED AIF

This certificate is being filed on the same date that ***<identify the issuer>*** (the "issuer") has voluntarily filed an AIF.

I, ***<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>***, certify the following:

1. ***Review:*** I have reviewed the AIF, annual financial statements and annual MD&A, including for greater certainty all documents and information that are incorporated by reference in the AIF (together, the "annual filings") of the issuer for the financial year ended ***<state the relevant date>***.

<Insert all paragraphs included in the annual certificates originally filed with the annual filings, other than paragraph 1. If the originally filed annual certificates were in Form 52-109FV1 or Form 52-109F1 – IPO/RTO, include the "note to reader" contained in Form 52-109FV1 or Form 52-109F1 – IPO/RTO, as the case may be, in this certificate.>

Date: ***<insert date of filing>***

_____
[Signature]
[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, ***<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>***, certify the following:

1. ***Review:*** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of ***<identify the issuer>*** (the "issuer") for the interim period ended ***<state the relevant date>***.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is ***<insert the name of the control framework used>***.

<insert paragraph 5.2 or 5.3 if applicable. If paragraph 5.2 or 5.3 is not applicable, insert "5.2 N/A" or "5.3 N/A" as applicable. For paragraph 5.3, include (a)(i), (a)(ii) or (a)(iii) as applicable, and subparagraph (b).>

5.2 ***ICFR – material weakness relating to design:*** The issuer has disclosed in its interim MD&A for each material weakness relating to design existing at the end of the interim period

   (a) a description of the material weakness;

   (b) the impact of the material weakness on the issuer's financial reporting and its ICFR; and

   (c) the issuer's current plans, if any, or any actions already undertaken, for remediating the material weakness.

5.3 ***Limitation on scope of design:*** The issuer has disclosed in its interim MD&A

   (a) the fact that the issuer's other certifying officer(s) and I have limited the scope of our design of DC&P and ICFR to exclude controls, policies and procedures of

      (i) a proportionately consolidated entity in which the issuer has an interest;

(ii) a variable interest entity in which the issuer has an interest; or

(iii) a business that the issuer acquired not more than 365 days before the last day of the period covered by the interim filings; and

(b) summary financial information about the proportionately consolidated entity, variable interest entity or business that the issuer acquired that has been proportionately consolidated or consolidated in the issuer's financial statements.

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on ***<insert the date immediately following the end of the period in respect of which the issuer made its most recent interim or annual filing, as applicable >*** and ended on ***<insert the last day of the period covered by the interim filings >*** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: ***<insert date of filing>***

_____
[Signature]
[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

FORM 52-109FV2
CERTIFICATION OF INTERIM FILINGS
VENTURE ISSUER BASIC CERTIFICATE

I, ***<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>***, certify the following:

1. ***Review:*** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of ***<identify the issuer>*** (the "issuer") for the interim period ended ***<state the relevant date>***.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: ***<insert date of filing>***

_____
[Signature]
[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FORM 52-109F2 – IPO/RTO
CERTIFICATION OF INTERIM FILINGS FOLLOWING
AN INITIAL PUBLIC OFFERING, REVERSE TAKEOVER OR
BECOMING A NON-VENTURE ISSUER

I, ***<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>***, certify the following:

1. ***Review:*** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of ***<identify the issuer>*** (the "issuer") for the interim period ended ***<state the relevant date>***.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: ***<insert date of filing>***

_____

[Signature]
[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

NOTE TO READER

In contrast to the usual certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), namely, Form 52-109F2, this Form 52-109F2 – IPO/RTO does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of an issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 in the first financial period following

- completion of the issuer's initial public offering in the circumstances described in s. 5.3 of NI 52-109;
- completion of a reverse takeover in the circumstances described in s. 5.4 of NI 52-109; or
- the issuer becoming a non-venture issuer in the circumstances described in s. 5.5 of NI 52-109;

may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FORM 52-109F2R
CERTIFICATION OF REFILED INTERIM FILINGS

This certificate is being filed on the same date that ***<identify the issuer>*** (the "issuer") has refiled ***<identify the filing(s) that have been refiled>***.

I, ***<identify (i) the certifying officer, (ii) his or her position at the issuer, (iii) the name of the issuer and (iv) if the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate>***, certify the following:

1. ***Review:*** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of the issuer for the interim period ended ***<state the relevant date>***.

<Insert all paragraphs included in the interim certificates originally filed with the interim filings, other than paragraph 1. If the originally filed interim certificates were in Form 52-109FV2 or Form 52-109F2 – IPO/RTO, include the "note to reader" contained in Form 52-109FV2 or Form 52-109F2 – IPO/RTO, as the case may be, in this certificate .>

Date: ***<insert date of filing>***

_____
[Signature]
[Title]

<If the certifying officer's title is not "chief executive officer" or "chief financial officer", indicate in which of these capacities the certifying officer is providing the certificate.>

COMPANION POLICY 52-109CP TO NATIONAL INSTRUMENT 52-109
CERTIFICATION OF DISCLOSURE IN ISSUERS' ANNUAL AND INTERIM FILINGS

TABLE OF CONTENTS

PART 1 – GENERAL

1.1 **Introduction and purpose** – National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the Instrument) sets out disclosure and filing requirements for all reporting issuers, other than investment funds. The objective of these requirements is to improve the quality, reliability and transparency of annual filings, interim filings and other materials that issuers file or submit under securities legislation.

This Companion Policy (the Policy) describes how the provincial and territorial securities regulatory authorities intend to interpret and apply the provisions of the Instrument.

1.2 **Application to non-corporate entities** – The Instrument applies to both corporate and non-corporate entities. Where the Instrument or the Policy refers to a particular corporate characteristic, such as the audit committee of the board of directors, the reference should be read to also include any equivalent characteristic of a non-corporate entity.

1.3 **Application to venture issuers** – Venture issuers should note that the guidance provided in Parts 5 through 14 of this Policy is intended for issuers filing Form 52-109F1 and Form 52-109F2. Under Parts 4 and 5 of the Instrument venture issuers are not required, but may elect, to use those Forms.

1.4 **Definitions** – For the purposes of the Policy, "DC&P" means disclosure controls and procedures (as defined in the Instrument) and "ICFR" means internal control over financial reporting (as defined in the Instrument).

PART 2 – FORM OF CERTIFICATES

2.1 **Prescribed wording** – Parts 4 and 5 of the Instrument require the annual and interim certificates to be filed in the exact wording prescribed by the required form (including the form number and form title) without any amendment. Failure to do so will be a breach of the Instrument.

PART 3 – CERTIFYING OFFICERS

3.1 **One individual acting as chief executive officer and chief financial officer** – If only one individual is serving as the chief executive officer and chief financial officer of an issuer, or is performing functions similar to those performed by such officers, that individual may either:

(a) provide two certificates (one in the capacity of the chief executive officer and the other in the capacity of the chief financial officer); or

(b) provide one certificate in the capacity of both the chief executive officer and chief financial officer and file this certificate twice, once in the filing category for certificates of chief executive officers and once in the filing category for certificates of chief financial officers.

3.2 **Individuals performing the functions of a chief executive officer or chief financial officer**

(1) ***No chief executive officer or chief financial officer*** – If an issuer does not have a chief executive officer or chief financial officer, each individual who performs functions similar to those performed by a chief executive officer or chief financial officer must certify the annual filings and interim filings. If an issuer does not have a chief executive officer or chief financial officer, in order to comply with the Instrument the issuer will need to identify at least one individual who performs functions similar to those performed by a chief executive officer or chief financial officer, as applicable.

(2) ***Management resides at underlying business entity level or external management company*** – In the case of a reporting issuer where executive management resides at the underlying business entity level or in an external management company such as for an income trust (as described in National Policy 41-201 *Income Trusts and Other Indirect Offerings*), the chief executive officer and chief financial officer of the underlying business entity or the external management company should generally be identified as individuals performing functions for the reporting issuer similar to a chief executive officer and chief financial officer.

(3) ***Limited partnership*** – In the case of a limited partnership reporting issuer with no chief executive officer and chief financial officer, the chief executive officer and chief financial officer of its general partner should generally be identified as individuals performing functions for the limited partnership reporting issuer similar to a chief executive officer and chief financial officer.

3.3 **"New" certifying officers** – An individual who is the chief executive officer or chief financial officer at the time that an issuer files annual and interim certificates is the individual who must sign a certificate.

Certain forms included in the Instrument require each certifying officer to certify that he or she has designed, or caused to be designed under his or her supervision, the issuer's DC&P and ICFR. If an issuer's DC&P and ICFR have been designed prior to a certifying officer assuming office, the certifying officer would:

(a) review the design of the existing DC&P and ICFR after assuming office; and

(b) design any modifications to the existing DC&P and ICFR determined to be necessary following his or her review,

prior to certifying the design of the issuer's DC&P and ICFR.

PART 4 – FAIR PRESENTATION, FINANCIAL CONDITION AND RELIABILITY OF FINANCIAL REPORTING

4.1 **Fair presentation of financial condition, results of operations and cash flows**

(1) ***Fair presentation not limited to issuer's GAAP*** – The forms included in the Instrument require each certifying officer to certify that an issuer's financial statements (including prior period comparative financial information) and other financial information included in the annual or interim filings *fairly present* in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented.

This certification is not qualified by the phrase "in accordance with generally accepted accounting principles" which is typically included in audit reports accompanying annual financial statements. The forms specifically exclude this qualification to prevent certifying officers from relying entirely on compliance with the issuer's GAAP in this representation, particularly as the issuer's GAAP financial statements might not fully reflect the financial condition of the issuer. Certification is intended to provide assurance that the financial information disclosed in the annual filings or interim filings, viewed in its entirety, provides a materially accurate and complete picture that may be broader than financial reporting under the issuer's GAAP. As a result, certifying officers cannot limit the fair presentation representation by referring to the issuer's GAAP.

Although the concept of fair presentation as used in the annual and interim certificates is not limited to compliance with the issuer's GAAP, this does not permit an issuer to depart from the issuer's GAAP in preparing its financial statements. If a certifying officer believes that the issuer's financial statements do not fairly present the issuer's financial condition, the certifying officer should ensure that the issuer's MD&A includes any necessary additional disclosure.

(2) ***Quantitative and qualitative factors*** – The concept of fair presentation encompasses a number of quantitative and qualitative factors, including:

(a) selection of appropriate accounting policies;

(b) proper application of appropriate accounting policies;

(c) disclosure of financial information that is informative and reasonably reflects the underlying transactions; and

(d) additional disclosure necessary to provide investors with a materially accurate and complete picture of financial condition, results of operations and cash flows.

4.2 **Financial condition** – The Instrument does not formally define financial condition. However, the term "financial condition" in the annual certificates and interim certificates reflects the overall financial health of the issuer and includes the issuer's financial position (as shown on the balance sheet) and other factors that may affect the issuer's liquidity, capital resources and solvency.

4.3 **Reliability of financial reporting** – The definition of ICFR refers to the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. In order to have reliable financial reporting and financial statements to be prepared in accordance with the issuer's GAAP, the amounts and disclosures in the financial statements must not contain any material misstatement.

PART 5 – CONTROL FRAMEWORKS FOR ICFR

5.1 **Requirement to use a control framework** – Section 3.4 of the Instrument requires an issuer to use a control framework in order to design the issuer's ICFR. The framework used should be a suitable control framework that is established by a body or group that has followed due-process procedures, including the broad distribution of the framework for public comment.

Examples of suitable frameworks that an issuer could use to design ICFR are:

(a) the *Risk Management and Governance: Guidance on Control* (COCO Framework), formerly known as Guidance of the Criteria of Control Board, published by The Canadian Institute of Chartered Accountants;

(b) the *Internal Control – Integrated Framework* (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO); and

(c) the *Guidance on Internal Control* (Turnbull Guidance) published by The Institute of Chartered Accountants in England and Wales.

A smaller issuer can also refer to *Internal Control over Financial Reporting – Guidance for Smaller Public Companies* published by COSO, which provides guidance to smaller public companies on the implementation of the COSO Framework.

In addition, *IT Control Objectives for Sarbanes-Oxley* published by the IT Governance Institute, might provide useful guidance for the design and evaluation of information technology controls that form part of an issuer's ICFR.

5.2 **Scope of control frameworks** – The control frameworks referred to in section 5.1 include in their definition of "internal control" three general categories: effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. ICFR is a subset of internal controls relating to financial reporting. ICFR does not encompass the elements of these control frameworks that relate to effectiveness and efficiency of an issuer's operations or an issuer's compliance with applicable laws and regulations, except for compliance with the applicable laws and regulations directly related to the preparation of financial statements.

PART 6 – DESIGN OF DC&P AND ICFR

6.1 **General** – Most sections in this Part apply to the design of both DC&P (DC&P design) and ICFR (ICFR design); however, some sections provide specific guidance relating to DC&P design or ICFR design. The term "design" in this context generally includes both developing and implementing the controls, policies and procedures that comprise DC&P and ICFR. This Policy often refers to such controls, policies and procedures as the "components" of DC&P and ICFR.

A control, policy or procedure is implemented when it has been placed in operation. An evaluation of effectiveness does not need to be performed to assess whether the control, policy or procedure is operating as intended in order for it to be placed in operation.

6.2 **Overlap between DC&P and ICFR** – There is a substantial overlap between the definitions of DC&P and ICFR. However, some elements of DC&P are not subsumed within the definition of ICFR and some elements of ICFR are not subsumed within the definition of DC&P. For example, an issuer's DC&P should include those elements of ICFR that provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with the issuer's GAAP. However, the issuer's DC&P might not include certain elements of ICFR, such as those pertaining to the safeguarding of assets.

6.3 **Reasonable assurance** – The definition of DC&P includes reference to reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. The definition of ICFR includes the phrase "reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP". In this Part the term "reasonable assurance" refers to one or both of the above uses of this term.

Reasonable assurance is a high level of assurance, but does not represent absolute assurance. DC&P and ICFR cannot provide absolute assurance due to their inherent limitations. Each involves diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human error. As a result of these limitations, DC&P and ICFR cannot prevent or detect all errors or intentional misstatements resulting from fraudulent activities.

The terms "reasonable", "reasonably" and "reasonableness" in the context of the Instrument do not imply a single conclusion or methodology, but encompass a range of potential conduct, conclusions or methodologies upon which certifying officers may base their decisions.

6.4 **Judgment** – The Instrument does not prescribe specific components of DC&P or ICFR or their degree of complexity. Certifying officers should design the components and complexity of DC&P and ICFR using their judgment, acting

reasonably, giving consideration to various factors particular to an issuer, including its size, nature of business and complexity of operations.

6.5 **Delegation permitted in certain cases** – Section 3.1 of the Instrument requires a non-venture issuer to establish and maintain DC&P and ICFR. Employees or third parties, supervised by the certifying officers, may conduct the design of the issuer's DC&P and ICFR. Such employees should individually and collectively have the necessary knowledge, skills, information and authority to design the DC&P and ICFR for which they have been assigned responsibilities. Nevertheless, certifying officers of the issuer must retain overall responsibility for the design and resulting MD&A disclosure concerning the issuer's DC&P and ICFR.

6.6 **Risk considerations for designing DC&P and ICFR**

(1) ***Approaches to consider for design*** – The Instrument does not prescribe the approach certifying officers should use to design the issuer's DC&P or ICFR. However, we believe that a top-down, risk-based approach is an efficient and cost-effective approach that certifying officers should consider. This approach allows certifying officers to avoid unnecessary time and effort designing components of DC&P and ICFR that are not required to obtain reasonable assurance. Alternatively, certifying officers might use some other approach to design, depending on the issuer's size, nature of business and complexity of operations.

(2) ***Top-down, risk-based approach*** – Under a top-down, risk-based approach to designing DC&P and ICFR certifying officers first identify and assess risks faced by the issuer in order to determine the scope and necessary complexity of the issuer's DC&P or ICFR. A top-down, risk-based approach helps certifying officers to focus their resources on the areas of greatest risk and avoid expending unnecessary resources on areas with little or no risk.

Under a top-down, risk-based approach, certifying officers initially consider risks without considering any existing controls of the issuer. Using this approach to design DC&P, the certifying officers identify the risks that could, individually or in combination with others, reasonably result in a material misstatement in its annual filings, interim filings or other reports filed or submitted by it under securities legislation. Using this approach to design ICFR, the certifying officers identify those risks that could, individually or in combination with others, reasonably result in a material misstatement of the financial statements (financial reporting risks). A material misstatement includes misstatements due to error, fraud or omission in disclosure.

Identifying risks involves considering the size and nature of the issuer's business and the structure and complexity of business operations. If an issuer has multiple locations or business units, certifying officers initially identify the risks that could reasonably result in a material misstatement and then consider the significance of these risks at individual locations or business units. If the officers identify a risk that could reasonably result in a material misstatement, but the risk is either adequately addressed by controls, policies or procedures that operate centrally or is not present at an individual location or business unit, then certifying officers do not need to focus their resources at that location or business unit to address the risk.

For the design of DC&P, the certifying officers assess risks for various types and methods of disclosure. For the design of ICFR, identifying risks involves identifying significant accounts and disclosures and their relevant assertions. After identifying risks that could reasonably result in a material misstatement, the certifying officers then ensure that the DC&P and ICFR designs include controls, policies and procedures to address each of the identified risks.

(3) ***Fraud risk*** – When identifying risks, certifying officers should explicitly consider the vulnerability of the entity to fraudulent activity (e.g., fraudulent financial reporting and misappropriation of assets). Certifying officers should consider how incentives (e.g., compensation programs) and pressures (e.g., meeting analysts' expectations) might affect risks, and what areas of the business provide opportunity for an individual to commit fraud. For the purposes of this Instrument, fraud would generally include an intentional act by one or more individuals among management, other employees, those charged with governance or third parties, involving the use of deception to obtain an unjust or illegal advantage. Although fraud is a broad legal concept, for the purposes of this Instrument, the certifying officers should be concerned with fraud that could cause a material misstatement in the issuer's annual filings, interim filings or other reports filed or submitted under securities legislation.

(4) ***Designing controls, policies and procedures*** – If the certifying officers choose to use a top-down, risk-based approach, they design specific controls, policies and procedures that, in combination with an issuer's control environment, appropriately address the risks discussed in subsections (2) and (3).

If certifying officers choose to use an approach other than a top-down, risk-based approach, they should still consider whether the combination of the components of DC&P and ICFR that they have designed are a sufficient basis for the representations about reasonable assurance required in paragraph 5 of the certificates.

6.7 **Control environment**

(1) ***Importance of control environment*** – An issuer's control environment is the foundation upon which all other components of DC&P and ICFR are based and influences the tone of an organization. An effective control environment contributes to the reliability of all other controls, processes and procedures by creating an atmosphere where errors or fraud are either less likely to occur, or if they occur, more likely to be detected. An effective control environment also supports the flow of information within the issuer, thus promoting compliance with an issuer's disclosure policies.

An effective control environment alone will not provide reasonable assurance that any of the risks identified will be addressed and managed. An ineffective control environment, however, can undermine an issuer's controls, policies and procedures designed to address specific risks.

(2) ***Elements of a control environment*** – A key element of an issuer's control environment is the attitude towards controls demonstrated by the board of directors, audit committee and senior management through their direction and actions in the organization. An appropriate tone at the top can help to develop a culture of integrity and accountability at all levels of an organization which support other components of DC&P and ICFR. The tone at the top should be reinforced on an ongoing basis by those accountable for the organization's DC&P and ICFR.

In addition to an appropriate tone at the top, certifying officers should consider the following elements of an issuer's control environment:

(a) *organizational structure of the issuer* – a structure which relies on established and documented lines of authority and responsibility may be appropriate for some issuers, whereas a structure which allows employees to communicate informally with each other at all levels may be more appropriate for some issuers;

(b) *management's philosophy and operating style* – a philosophy and style that emphasises managing risks with appropriate diligence and demonstrates receptiveness to negative as well as positive information will foster a stronger control environment;

(c) *integrity, ethics, and competence of personnel* – controls, policies and procedures are more likely to be effective if they are carried out by ethical, competent and adequately supervised employees;

(d) *external influences that affect the issuer's operations and risk management practices* – these could include global business practices, regulatory supervision, insurance coverage and legislative requirements; and

(e) *human resources policies and procedures* – an issuer's hiring, training, supervision, compensation, termination and evaluation practices can affect the quality of the issuer's workforce and its employees' attitudes towards controls.

(3) ***Sources of information about the control environment*** – The following documentation might provide useful information about an issuer's control environment:

(a) written codes of conduct or ethics policies;

(b) procedure manuals, operating instructions, job descriptions and training materials;

(c) evidence that employees have confirmed their knowledge and understanding of items (a) and (b);

(d) organizational charts that identify approval structures and the flow of information; and

(e) written correspondence provided by an issuer's external auditor regarding the issuer's control environment.

6.8 **Controls, policies and procedures to include in DC&P design** – In order for DC&P to provide reasonable assurance that information required by securities legislation to be disclosed by an issuer is recorded, processed, summarized and reported within the required time periods, DC&P should generally include the following components:

(a) written communication to an issuer's employees and directors of the issuer's disclosure obligations, including the purpose of disclosure and DC&P and deadlines for specific filings and other disclosure;

(b) assignment of roles, responsibilities and authorizations relating to disclosure;

(c) guidance on how authorized individuals should assess and document the materiality of information or events for disclosure purposes; and

(d) a policy on how the issuer will receive, document, evaluate and respond to complaints or concerns received from internal or external sources regarding financial reporting or other disclosure issues.

An issuer might choose to include these components in a document called a disclosure policy. Part 6 of National Policy 51-201 *Disclosure Standards* encourages issuers to establish a written disclosure policy and discusses in more detail some of these components. For issuers that are subject to National Instrument 52-110 *Audit Committees* (NI 52-110), compliance with the instrument will also form part of the issuer's DC&P design.

6.9 **Controls, policies and procedures to include in ICFR design** – In order for ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP, ICFR should generally include the following components:

(a) controls for initiating, authorizing, recording and processing transactions relating to significant accounts and disclosures;

(b) controls for initiating, authorizing, recording and processing non-routine transactions and journal entries, including those requiring judgments and estimates;

(c) procedures for selecting and applying appropriate accounting policies that are in accordance with the issuer's GAAP;

(d) controls to prevent and detect fraud;

(e) controls on which other controls are dependent, such as information technology general controls; and

(f) controls over the period-end financial reporting process, including controls over entering transaction totals in the general ledger, controls over initiating, authorizing, recording and processing journal entries in the general ledger and controls over recording recurring and non-recurring adjustments to the financial statements (e.g., consolidating adjustments and reclassifications).

6.10 **Identifying significant accounts and disclosures and their relevant assertions**

(1) ***Significant accounts and disclosures and their relevant assertions*** – As described in subsection 6.6(2) of the Policy, a top-down, risk-based approach to designing ICFR involves identifying significant accounts and disclosures and the relevant assertions that affect each significant account and disclosure. This method assists certifying officers in identifying the risks that could reasonably result in a material misstatement in the issuer's financial statements and not all possible risks the issuer faces.

(2) ***Identifying significant accounts and disclosures*** – A significant account could be an individual line item on the issuer's financial statements, or part of a line item. For example, an issuer might present "net sales" on the income statement, which represents a combination of "gross sales" and "sales returns", but might identify "gross sales" as a significant account. By identifying part of a line item as a significant account, certifying officers might be able to focus on balances that are subject to specific risks that can be separately identified.

A significant disclosure relating to the design of ICFR could be any form of disclosure included in the issuer's financial statements, or notes to the financial statements, that is presented in accordance with the issuer's GAAP. The identification of significant disclosures for the design of ICFR does not extend to the preparation of the issuer's MD&A or other similar financial information presented in a continuous disclosure filing other than financial statements.

(3) ***Considerations for identifying significant accounts and disclosures*** – A minimum threshold expressed as a percentage or a dollar amount could provide a reasonable starting point for evaluating the significance of an account or disclosure. However, certifying officers should use their judgment, taking into account qualitative factors, to assess accounts or disclosures for significance above or below that threshold. The following factors will be relevant when determining whether an account or disclosure is significant:

(a) the size, nature and composition of the account or disclosure;

(b) the risk of overstatement or understatement of the account or disclosure;

(c) the susceptibility to misstatement due to errors or fraud;

(d) the volume of activity, complexity and homogeneity of the individual transactions processed through the account or reflected in the disclosure;

(e) the accounting and reporting complexities associated with the account or disclosure;

(f) the likelihood (or possibility) of significant contingent liabilities in the account or disclosure;

(g) the existence of related party transactions; and

(h) the impact of the account on existing debt covenants.

(4) ***Assertions*** – Using a top-down, risk-based approach, the certifying officers identify those assertions for each significant account and disclosure that presents a risk that could reasonably result in a material misstatement in that significant account or disclosure. For each significant account and disclosure the following assertions could be relevant:

(a) *existence or occurrence* – whether assets or liabilities exist and whether transactions and events that have been recorded have occurred and pertain to the issuer;

(b) *completeness* – whether all assets, liabilities and transactions that should have been recorded have been recorded;

(c) *valuation or allocation* – whether assets, liabilities, equity, revenues and expenses have been included in the financial statements at appropriate amounts and any resulting valuation or allocation adjustments are appropriately recorded;

(d) *rights and obligations* – whether assets are legally owned by the issuer and liabilities are the obligations of the issuer; and

(e) *presentation and disclosure* – whether particular components of the financial statements are appropriately presented and described and disclosures are clearly expressed.

The certifying officers might consider assertions that differ from those listed above if the certifying officers determine that they have identified the pertinent risks in each significant account and disclosure that could reasonably result in a material misstatement.

(5) ***Identifying relevant assertions for each significant account and disclosure*** – To identify relevant assertions for each significant account and disclosure, the certifying officers determine the source of potential misstatements for each significant account or disclosure. When determining whether a particular assertion is relevant, the certifying officers would consider the nature of the assertion, the volume of transactions or data related to the assertion and the complexity of the underlying systems supporting the assertion. If an assertion does not present a risk that could reasonably result in a material misstatement in a significant account, it is likely not a relevant assertion.

For example, valuation might not be relevant to the cash account unless currency translation is involved; however, existence and completeness are always relevant. Similarly, valuation might not be relevant to the gross amount of the accounts receivable balance, but is relevant to the related allowance accounts.

(6) ***Identifying controls, policies and procedures for relevant assertions*** – Using a top-down, risk-based approach, the certifying officers design components of ICFR to address each relevant assertion. The certifying officers do not need to design all possible components of ICFR to address each relevant assertion, but should identify and design an appropriate combination of controls, policies and procedures to address all relevant assertions.

The certifying officers would consider the efficiency of evaluating an issuer's ICFR design when designing an appropriate combination of ICFR components. If more than one potential control, policy or procedure could address a relevant assertion, certifying officers could select the control, policy or procedure that would be easiest to evaluate (e.g., automated control vs. manual control). Similarly, if a control, policy or procedure can be designed to address more than one relevant assertion, then certifying officers could choose it rather than a control, policy or procedure that addresses only one relevant assertion. For example, the certifying officers would consider whether any entity-wide controls exist that adequately address more than one relevant assertion or improve the efficiency of evaluating operating effectiveness because such entity-wide controls negate the need to design and evaluate other components of ICFR at multiple locations or business units.

When designing a combination of controls, policies and procedures, the certifying officers should also consider how the components in subsection 6.7(2) of the Policy interact with each other. For example, the certifying officers should consider how information technology general controls interact with controls, policies and procedures over initiating, authorizing, recording, processing and reporting transactions.

6.11 **ICFR design challenges** – Key features of ICFR and related design challenges are described below.

(a) *Segregation of duties* – The term "segregation of duties" refers to one or more employees or procedures acting as a check and balance on the activities of another so that no one individual has control over all steps of processing a transaction or other activity. Assigning different people responsibility for authorizing transactions, recording transactions, reconciling information and maintaining custody of assets reduces the opportunity for any one employee to conceal errors or perpetrate fraud in the normal course of his or her duties. Segregating duties also increases the chance of discovering inadvertent errors early. If an issuer has few employees, a single employee may be authorized to initiate, approve and effect payment for transactions and it might be difficult to re-assign responsibilities to segregate those duties appropriately.

(b) *Board expertise* – An effective board objectively reviews management's judgments and is actively engaged in shaping and monitoring the issuer's control environment. An issuer might find it challenging to attract directors with the appropriate financial reporting expertise, objectivity, time, ability and experience.

(c) *Controls over management override* – An issuer might be dominated by a founder or other strong leader who exercises a great deal of discretion and provides personal direction to other employees. Although this type of individual can help an issuer meet its growth and other objectives, such concentration of knowledge and authority could allow the individual an opportunity to override established policies or procedures or otherwise reduce the likelihood of an effective control environment.

(d) *Qualified personnel* – Sufficient accounting and financial reporting expertise is necessary to ensure reliable financial reporting and the preparation of financial statements in accordance with the issuer's GAAP. Some issuers might be unable to obtain qualified accounting personnel or outsourced expert advice on a cost-effective basis. Even if an issuer obtains outsourced expert advice, the issuer might not have the internal expertise to understand or assess the quality of the outsourced advice. If an issuer consults on technically complex accounting matters, this consultation alone is not indicative of a deficiency relating to the design of ICFR.

An issuer's external auditor might perform certain services (e.g., income tax, valuation or internal audit services), where permitted by auditor independence rules, that provide skills which would otherwise be addressed by hiring qualified personnel or outsourcing expert advice from a party other than the external auditor. This type of arrangement should not be considered to be a component of the issuer's ICFR design.

If an issuer identifies one or more of these ICFR design challenges, additional involvement by the issuer's audit committee or board of directors could be a suitable compensating control or alternatively could mitigate risks that exist as a result of being unable to remediate a material weakness relating to the design challenge. The control framework the certifying officers use to design ICFR could include further information on these design challenges. See section 9.1 of the Policy for a discussion of compensating controls versus mitigating procedures.

6.12 **Corporate governance for internal controls** – The board of directors of an issuer is encouraged to consider adopting a written mandate to explicitly acknowledge responsibility for the stewardship of the issuer, including responsibility for internal control and management information systems.

6.13 **Maintaining design** – Following their initial development and implementation of DC&P and ICFR, and prior to certifying design each quarter, certifying officers should consider:

(a) whether the issuer faces any new risks and whether each design continues to provide a sufficient basis for the representations about reasonable assurance required in paragraph 5 of the certificates;

(b) the scope and quality of ongoing monitoring of DC&P and ICFR, including the extent, nature and frequency of reporting the results from the ongoing monitoring of DC&P and ICFR to the appropriate levels of management;

(c) the work of the issuer's internal audit function;

(d) communication, if any, with the issuer's external auditors; and

(e) the incidence of weaknesses in DC&P or material weaknesses in ICFR that have been identified at any time during the financial year.

6.14 **Efficiency and effectiveness** – In addition to the considerations set out in this Part that will assist certifying officers in appropriately designing DC&P and ICFR, other steps that certifying officers could take to enhance the efficiency and effectiveness of the designs are:

(a) embedding DC&P and ICFR in the issuer's business processes;

(b) implementing consistent policies and procedures and issuer-wide programs at all locations and business units;

(c) including processes to ensure that DC&P and ICFR are modified to adapt to any changes in business environment; and

(d) including procedures for reporting immediately to the appropriate levels of management any identified issues with DC&P and ICFR together with details of any action being undertaken or proposed to be undertaken to address such issues.

6.15 **Documenting design**

(1) ***Extent and form of documentation for design*** – The certifying officers should generally maintain documentary evidence sufficient to provide reasonable support for their certification of design of DC&P and ICFR. The extent of documentation supporting the certifying officers' design of DC&P and ICFR for each interim and annual certificate will vary depending on the certifying officers' assessment of risk, as discussed in section 6.6 of the Policy, as well as the size and complexity of the issuer's DC&P and ICFR. The documentation might take many forms (e.g., paper documents, electronic, or other media) and could be presented in a number of different ways (e.g., policy manuals, process models, flowcharts, job descriptions, documents, internal memoranda, forms, etc). Certifying officers should use their judgment, acting reasonably, to determine the extent and form of documentation.

(2) ***Documentation of the control environment*** - To provide reasonable support for the certifying officers' design of DC&P and ICFR, the certifying officers should generally document the key elements of an issuer's control environment, including those described in subsection 6.7(2) of the Policy.

(3) ***Documentation for design of DC&P*** – To provide reasonable support for the certifying officers' design of DC&P, the certifying officers should generally document:

(a) the processes and procedures that ensure information is brought to the attention of management, including the certifying officers, in a timely manner to enable them to determine if disclosure is required; and

(b) the items listed in section 6.8 of the Policy.

(4) ***Documentation for design of ICFR*** – To provide reasonable support for the certifying officers' design of ICFR, the certifying officers should generally document:

(a) the issuer's ongoing risk-assessment process and those risks which need to be addressed in order to conclude that the certifying officers have designed ICFR;

(b) how significant transactions, and significant classes of transactions, are initiated, authorized, recorded and processed;

(c) the flow of transactions to identify when and how material misstatements or omissions could occur due to error or fraud;

(d) a description of the controls over relevant assertions related to all significant accounts and disclosures in the financial statements;

(e) a description of the controls designed to prevent or detect fraud, including who performs the controls and, if applicable, how duties are segregated;

(f) a description of the controls over period-end financial reporting processes;

(g) a description of the controls over safeguarding of assets; and

(h) the certifying officers' conclusions on whether a material weakness relating to the design of ICFR exists at the end of the period.

PART 7 – EVALUATING OPERATING EFFECTIVENESS OF DC&P AND ICFR

7.1 **General** – Most sections in this Part apply to both an evaluation of the operating effectiveness of DC&P (DC&P evaluation) and an evaluation of the operating effectiveness of ICFR (ICFR evaluation); however, some sections apply specifically to an ICFR evaluation.

7.2 **Scope of evaluation of operating effectiveness** – The purpose of the DC&P and ICFR evaluations is to determine whether the issuer's DC&P and ICFR designs are operating as intended. To support a conclusion that DC&P or ICFR is effective, certifying officers should obtain sufficient appropriate evidence at the date of their assessment that the components of DC&P and ICFR that they designed, or caused to be designed, are operating as intended. Regardless of the approach the certifying officers use to design DC&P or ICFR, they could use a top-down, risk-based approach to evaluate DC&P or ICFR in order to limit the evaluation to those controls and procedures that are necessary to address the risks that might reasonably result in a material misstatement.

Form 52-109F1 requires disclosure of each material weakness relating to the operation of the issuer's ICFR. Therefore, the scope of the ICFR evaluation must be sufficient to identify any such material weaknesses.

7.3 **Judgment** – The Instrument does not prescribe how the certifying officers should conduct their DC&P and ICFR evaluations. Certifying officers should exercise their judgment, acting reasonably, and should apply their knowledge and experience in determining the nature and extent of the evaluation.

7.4 **Knowledge and supervision** – Form 52-109F1 requires the certifying officers to certify that they have evaluated, or supervised the evaluation of, the issuer's DC&P and ICFR. Employees or third parties, supervised by the certifying officers, may conduct the evaluation of the issuer's DC&P and ICFR. Such employees should individually and collectively have the necessary knowledge, skills, information and authority to evaluate the DC&P and ICFR for which they have been assigned responsibilities. Nevertheless, certifying officers must retain overall responsibility for the evaluation and resulting MD&A disclosure concerning the issuer's DC&P and ICFR.

Certifying officers should ensure that the evaluation is performed with the appropriate level of objectivity. Generally, the individuals who evaluate the operating effectiveness of specific controls or procedures should not be the same individuals who perform the specific controls or procedures. See section 7.10 of the Policy for guidance on self-assessments.

7.5 **Use of external auditor or other third party** – The certifying officers might decide to use a third party to assist with their DC&P or ICFR evaluations. In these circumstances, the certifying officers should assure themselves that the individuals performing the agreed-upon evaluation procedures have the appropriate knowledge and ability to complete the procedures. The certifying officers should be actively involved in determining the procedures to be performed, the findings to be communicated and the manner of communication.

If an issuer chooses to engage its external auditor to assist the certifying officers in the DC&P and ICFR evaluations, the certifying officers should determine the procedures to be performed, the findings to be communicated and the manner of communication. The certifying officers should not rely on ICFR-related procedures performed and findings reported by the issuer's external auditor solely as part of the financial statement audit. However, if the external auditor is separately engaged to perform specified ICFR-related procedures, the certifying officers might use the results of those procedures as part of their evaluation even if the auditor uses those results as part of the financial statement audit.

If the issuer refers, in a continuous disclosure document, to an audit report relating to the issuer's ICFR, prepared by its external auditor, then it would be appropriate for the issuer to file a copy of the internal control audit report with its financial statements.

7.6 **Evaluation tools** – Certifying officers can use a variety of tools to perform their DC&P and ICFR evaluations. These tools include:

(a) certifying officers' daily interaction with the control systems;

(b) walkthroughs;

(c) interviews of individuals who are involved with the relevant controls;

(d) observation of procedures and processes, including adherence to corporate policies;

(e) reperformance; and

(f) review of documentation that provides evidence that controls, policies or procedures have been performed.

Certifying officers should use a combination of tools for the DC&P and ICFR evaluations. Although inquiry and observation alone might provide an adequate basis for an evaluation of an individual control with a lower risk, they will not provide an adequate basis for the evaluation as a whole.

The nature, timing and extent of evaluation procedures necessary for certifying officers to obtain reasonable support for the effective operation of a component of DC&P or ICFR depends on the level of risk the component of DC&P or ICFR is designed to address. The level of risk for a component of DC&P or ICFR could change each year to reflect management's experience with a control's operation during the year and in prior evaluations.

7.7 **Certifying officers' daily interaction** – The certifying officers' daily interaction with their control systems provides them with opportunities to evaluate the operating effectiveness of the issuer's DC&P and ICFR during a financial year. This daily interaction could provide an adequate basis for the certifying officers' evaluation of DC&P or ICFR if the operation of controls, policies and procedures is centralized and involves a limited number of personnel. Reasonable support of such daily interaction would include memoranda, e-mails and instructions or directions from the certifying officers to other employees.

7.8 **Walkthroughs** – A walkthrough is a process of tracing a transaction from origination, through the issuer's information systems, to the issuer's financial reports. A walkthrough can assist certifying officers to confirm that:

(a) they understand the components of ICFR, including those components relating to the prevention or detection of fraud;

(b) they understand how transactions are processed;

(c) they have identified all points in the process at which misstatements related to each relevant financial statement assertion could occur; and

(d) the components of ICFR have been implemented.

7.9 **Reperformance**

(1) ***General*** – Reperformance is the independent execution of certain components of the issuer's DC&P or ICFR that were performed previously. Reperformance could include inspecting records whether internal (e.g., a purchase order prepared by the issuer's purchasing department) or external (e.g., a sales invoice prepared by a vendor), in paper form, electronic form or other media. The reliability of records varies depending on their nature, source and the effectiveness of controls over their production. An example of reperformance is inspecting whether the quantity and price information in a sales invoice agree with the quantity and price information in a purchase order, and confirming that an employee previously performed this procedure.

(2) ***Extent of reperformance*** – The extent of reperformance of a component of DC&P or ICFR is a matter of judgment for the certifying officers, acting reasonably. Components that are performed more frequently (e.g., controls for recording sales transactions) will generally require more testing than components that are performed less frequently (e.g., controls for monthly bank reconciliations). Components that are manually operated will likely require more rigorous testing than automated controls. Certifying officers could determine that they do not have to test every individual step comprising a control in order to conclude that the overall control is operating effectively.

(3) ***Reperformance for each evaluation*** – Certifying officers might find it appropriate to adjust the nature, extent and timing of reperformance for each evaluation. For example, in "year 1", certifying officers might test information technology controls extensively, while in "year 2", they could focus on monitoring controls that identify changes made to the information technology controls. Certifying officers should consider the specific risks the controls address when making these types of adjustments. It might also be appropriate to test controls at different interim periods, increase or reduce the number and types of tests performed or change the combination of procedures used in order to introduce unpredictability into the testing and respond to changes in circumstances.

7.10 **Self-assessments** – A self-assessment is a walk-through or reperformance of a control, or another procedure to analyze the operation of controls, performed by an individual who might or might not be involved in operating the control. A self-assessment could be done by personnel who operate the control or members of management who are not responsible for operating the control. The evidence of operating effectiveness from self-assessment activities depends on the personnel involved and how the activities are conducted.

A self-assessment performed by personnel who operate the control would normally be supplemented with direct testing by individuals who are independent from the operation of the control being tested and who have an equal or higher level of authority. In these situations, direct testing of controls would be needed to corroborate evidence from the self-assessment since the self-assessment alone would not have a reasonable level of objectivity.

In some situations a certifying officer might perform a self-assessment and the certifying officer is involved in operating the control. Even if no other members of management independent from the operation of the control with equal or higher level of authority can perform direct testing, the certifying officer's self-assessment alone would normally provide sufficient evidence since the certifying officer signs the annual certificate. In situations where there are two certifying officers and one is performing a self-assessment, it would be appropriate for the other certifying officer to perform direct testing of the control.

7.11 **Timing of evaluation** – Form 52-109F1 requires certifying officers to certify that they have evaluated the effectiveness of the issuer's DC&P and ICFR, as at the financial year end. Certifying officers might choose to schedule testing of some DC&P and ICFR components throughout the issuer's financial year. However, since the evaluation is at the financial year end, the certifying officers will have to perform sufficient procedures to evaluate the operation of the components at year end.

Since some year-end procedures occur subsequent to the year end (e.g., financial reporting close process), some testing of DC&P and ICFR components could also occur subsequent to year-end. The timing of evaluation activities will depend on the risk associated with the components being evaluated, the tools used to evaluate the components, and whether the components being evaluated are performed prior to, or subsequent to, year end.

7.12 **Extent of examination for each annual evaluation** – For each annual evaluation the certifying officers must evaluate those components of ICFR that, in combination, provide reasonable assurance regarding the reliability of financial reporting. For example, the certifying officers cannot decide to exclude components of ICFR for a particular process from the scope of their evaluation simply based on prior-year evaluation results. To have a reasonable basis for their assessment of the operating effectiveness of ICFR, the certifying officers must have sufficient evidence supporting operating effectiveness of all relevant components of ICFR as of the date of their assessment.

7.13 **Documenting evaluations**

(1) ***Extent of documentation for evaluation*** – The certifying officers should generally maintain documentary evidence sufficient to provide reasonable support for their certification of a DC&P and ICFR evaluation. The extent of documentation used to support the certifying officers' evaluations of DC&P and ICFR for each annual certificate will vary depending on the size and complexity of the issuer's DC&P and ICFR. The extent of documentation is a matter of judgment for the certifying officers, acting reasonably.

(2) ***Documentation for evaluations of DC&P and ICFR*** – To provide reasonable support for a DC&P or ICFR evaluation the certifying officers should generally document:

(a) a description of the process the certifying officers used to evaluate DC&P or ICFR;

(b) how the certifying officers determined the extent of testing of the components of DC&P or ICFR;

(c) a description of, and results from applying, the evaluation tools discussed in sections 7.6 and 7.7 of the Policy or other evaluation tools; and

(d) the certifying officers' conclusions about:

(i) the operating effectiveness of DC&P or ICFR, as applicable; and

(ii) whether a material weakness relating to the operation of ICFR existed as at the end of the period.

PART 8 – USE OF A SERVICE ORGANIZATION OR SPECIALIST FOR AN ISSUER'S ICFR

8.1 **Use of a service organization** – An issuer might outsource a significant process to a service organization. Examples include payroll, production accounting for oil and gas companies, or other bookkeeping services. Based on their assessment of risks as discussed in subsection 6.6(2) of the Policy, the certifying officers might identify the need for controls, policies and procedures relating to an outsourced process. In considering the design and evaluation of such controls, policies and procedures, the officers should consider whether:

(a) the service organization can provide a service auditor's report on the design and operation of controls placed in operation and tests of the operating effectiveness of controls at the service organization;

(b) the certifying officers have access to the controls in place at the service organization to evaluate the design and effectiveness of such controls; or

(c) the issuer has controls that might eliminate the need for the certifying officers to evaluate the design and effectiveness of the service organization's controls relating to the outsourced process.

8.2 **Service auditor's reporting on controls at a service organization** – If a service auditor's report on controls placed in operation and tests of the operating effectiveness of controls is available, the certifying officers should evaluate whether the report provides them sufficient evidence to assess the design and effectiveness of controls relating to the outsourced process. The following factors will be relevant in evaluating whether the report provides sufficient evidence:

(a) the time period covered by the tests of controls and its relation to the as-of date of the certifying officers' assessment of the issuer's ICFR;

(b) the scope of the examination and applications covered and the controls tested; and

(c) the results of the tests of controls and the service auditor's opinion on the operating effectiveness of controls.

8.3 **Elapsed time between date of a service auditor's report and date of certificate** – If a significant period of time has elapsed between the time period covered by the tests of controls in a service auditor's report and the date of the certifying officer's assessment of ICFR, the certifying officers should consider whether the service organization's controls have changed subsequent to the period covered by the service auditor's report. The service organization might communicate certain changes such as changes in its personnel or changes in reports or other data that it provides. Changes might also be indicated by errors identified in the service organization's processing. If the certifying officers identify changes in the service organization's controls, they should evaluate the effect of these changes and consider the need for additional procedures. These might include obtaining further information from the service organization, performing procedures at the service organization, or requesting that a service auditor perform specified procedures.

8.4 **Indicators of a material weakness relating to use of a service organization** – There could be circumstances in which a service auditor's report is not available, the certifying officers do not have access to controls in place at the service organization and the certifying officers have not identified any compensating controls performed by the issuer. In these circumstances the inability to assess the service organization's controls, policies and procedures might represent a material weakness since the certifying officers might not have sufficient evidence to conclude whether the components of the issuer's ICFR at the service organization have been designed or are operating as intended.

8.5 **Use of a specialist** – A specialist is a person or firm possessing expertise in specific subject matter. A reporting issuer might arrange for a specialist to provide certain specialized expertise such as actuarial services, taxation services or valuation services. Based on their assessment of risks as discussed in subsection 6.6(2) of the Policy, the certifying officers might identify the need for the services provided by a specialist. The certifying officers should ensure the issuer has controls, policies or procedures in place relating to the source data and the reasonableness of the assumptions used to support the specialist's findings. The certifying officers should also consider whether the specialist has the necessary competence, expertise and integrity.

PART 9 – MATERIAL WEAKNESS

9.1 **Identifying a deficiency in ICFR**

(1) ***Deficiency relating to the design of ICFR*** – A deficiency relating to the design of ICFR exists when:

(a) necessary components of ICFR are missing from the design;

(b) an existing component of ICFR is designed so that, even if the component operates as designed, the financial reporting risks would not be addressed; or

(c) a component of ICFR has not been implemented and, as a result, the financial reporting risks have not been addressed.

Subsection 6.6(2) of the Policy provides guidance on financial reporting risks.

(2) ***Deficiency relating to the operation of ICFR*** – A deficiency relating to the operation of ICFR exists when a properly designed component of ICFR does not operate as intended. For example, if an issuer's ICFR design requires two individuals to sign a cheque in order to authorize a cash disbursement and the certifying officers conclude that this process is not being followed consistently, the control may be designed properly but is deficient in its operation.

(3) ***Compensating controls versus mitigating procedures*** – If the certifying officers identify a component of ICFR that does not operate as intended they should consider whether there is a compensating control that addresses the financial reporting risks that the deficient ICFR component failed to address. If the certifying officers are unable to identify a compensating control, then the issuer would have a deficiency relating to the operation of ICFR.

In the process of determining whether there is a compensating control, the certifying officers might identify mitigating procedures which help to reduce the financial reporting risks that the deficient ICFR component failed to address, but do not meet the threshold of being a compensating control because:

(a) the procedures only partially address the financial reporting risks or

(b) the procedures are not designed by, or under the supervision of, the issuer's certifying officers, and thus may not represent an internal control.

In these circumstances, since the financial reporting risks are not addressed with an appropriate compensating control, the issuer would continue to have a deficiency relating to the operation of ICFR and would have to assess the significance of the deficiency. The issuer may have one or more mitigating procedures that reduce the financial reporting risks that the deficient ICFR component failed to address and may consider disclosure of those procedures, as discussed in section 9.7 of the Policy. In disclosing these mitigating procedures in its MD&A, an issuer should not imply that the procedures eliminate the existence of a material weakness.

9.2 **Assessing significance of deficiencies in ICFR** – If a deficiency or combination of deficiencies in the design or operation of one or more components of ICFR is identified, certifying officers should assess the significance of the deficiency, or combination of deficiencies, to determine whether a material weakness exists. Their assessment should generally include both qualitative and quantitative analyses.

Certifying officers evaluate the severity of a deficiency, or combination of deficiencies, by considering whether (a) there is a reasonable possibility that the issuer's ICFR will fail to prevent or detect a material misstatement of a financial statement amount or disclosure; and (b) the magnitude of the potential misstatement resulting from the deficiency or deficiencies. The severity of a deficiency in ICFR does not depend on whether a misstatement has actually occurred but rather on whether there is a reasonable possibility that the issuer's ICFR will fail to prevent or detect a material misstatement on a timely basis.

9.3 **Factors to consider when assessing significance of deficiencies in ICFR**

(1) **Reasonable possibility of misstatement** – Factors that affect whether there is a reasonable possibility that a deficiency, or combination of deficiencies would result in ICFR not preventing or detecting in a timely manner a misstatement of a financial statement amount or disclosure, include, but are not limited to:

(a) the nature of the financial statement accounts, disclosures and assertions involved (e.g., related-party transactions involve greater risk);

(b) the susceptibility of the related asset or liability to loss or fraud (e.g., greater susceptibility increases risk);

(c) the subjectivity, complexity, or extent of judgment required to determine the amount involved (e.g., greater subjectivity, complexity, or judgment increases risk);

(d) the interaction or relationship of the control with other controls, including whether they are interdependent or address the same financial reporting risks;

(e) the interaction of the deficiencies (e.g., when evaluating a combination of two or more deficiencies, whether the deficiencies could affect the same financial statement amounts or disclosures); and

(f) the possible future consequences of the deficiency.

(2) **Magnitude of misstatement** – Various factors affect the magnitude of a misstatement that might result from a deficiency or deficiencies in ICFR. These factors include, but are not limited, to the following:

(a) the financial statement amounts or total of transactions relating to the deficiency; and

(b) the volume of activity in the account balance or class of transactions relating to the deficiency that has occurred in the current period or that is expected in future periods.

9.4 **Indicators of a material weakness** – It is a matter for the certifying officers' judgment whether the following situations indicate that a deficiency in ICFR exists and, if so, whether it represents a material weakness:

(a) identification of fraud, whether or not material, on the part of the certifying officers or other senior management who play a significant role in the issuer's financial reporting process;

(b) restatement of previously issued financial statements to reflect the correction of a material misstatement;

(c) identification by the issuer or its external auditor of a material misstatement in the financial statements in the current period in circumstances that indicate that the misstatement would not have been detected by the issuer's ICFR; and

(d) ineffective oversight of the issuer's external financial reporting and ICFR by the issuer's audit committee.

9.5 **Conclusions on effectiveness if a material weakness exists** – If the certifying officers identify a material weakness relating to the design or operation of ICFR existing as at the period-end date, the certifying officers could not conclude that the issuer's ICFR is effective. Certifying officers may not qualify their assessment by stating that the issuer's ICFR is effective subject to certain qualifications or exceptions unless the qualification pertains to one of the permitted scope limitations available in section 3.3 of the Instrument. As required by paragraph 6 in Form 52-109F1, the certifying officers must ensure the issuer has disclosed in the annual MD&A the certifying officers' conclusions about the effectiveness of ICFR at the financial year end.

9.6 **Disclosure of a material weakness**

(1) ***Disclosure of a material weakness relating to the design of ICFR*** – If the certifying officers become aware of a material weakness relating to the design of ICFR that existed at the end of the annual or interim period, the issuer's annual or interim MD&A must describe each material weakness relating to design, the impact of each material weakness on the issuer's financial reporting and its ICFR, and the issuer's current plans, if any, or any actions already undertaken, for remediating each material weakness as required by paragraph 5.2 of Form 52-109F1 and Form 52-109F2.

(2) ***Disclosure of a material weakness relating to the operation of ICFR*** – If the certifying officers become aware of a material weakness relating to the operation of ICFR that existed at the financial year end, the issuer's annual MD&A must describe each material weakness relating to operation, the impact of each material weakness on the issuer's financial reporting and its ICFR, and the issuer's current plans, if any, or any actions already undertaken, for remediating each material weakness as required by subparagraphs 6(b)(ii)(A), (B) and (C) of Form 52-109F1.

If a material weakness relating to the operation of ICFR continues to exist, the certifying officers should consider whether the deficiency initially relating to the operation of ICFR has become a material weakness relating to the design of ICFR that must be disclosed in the interim, as well as the annual MD&A under paragraph 5.2 of Form 52-109F1 and Form 52-109F2.

(3) ***Description of a material weakness*** – Disclosure pertaining to an identified material weakness should provide investors with an accurate and complete picture of the material weakness, including its effect on the issuer's ICFR. Issuers should consider providing disclosure in the annual or interim MD&A that allows investors to understand the cause of the material weakness and assess the potential impact on, and importance to, the financial statements of the identified material weakness. The disclosure will be more useful to investors if it distinguishes between those material weaknesses that may have a pervasive impact on ICFR from those material weaknesses that do not.

9.7 **Disclosure of remediation plans and actions undertaken** – If an issuer commits to a remediation plan to correct a material weakness relating to the design or operation of ICFR prior to filing a certificate, the annual or interim MD&A would describe the issuer's current plans, or any actions already undertaken, for remediating each material weakness.

Once an issuer has completed its remediation it would disclose information about the resulting change in the issuer's ICFR in its next annual or interim MD&A as required by paragraph 7 of Form 52-109F1 or paragraph 6 of Form 52-109F2.

If an issuer is unable to, or chooses not to, remediate a material weakness, but identifies mitigating procedures that reduce the impact of the material weakness on the issuer's ICFR, then disclosure about these mitigating procedures could provide investors with an accurate and complete picture of the material weakness, including its effect on the issuer's ICFR. If an issuer does not plan to remediate the material weakness, regardless of whether there are mitigating procedures, the issuer would continue to have a material weakness that the issuer must disclose in the annual or interim MD&A.

PART 10 – WEAKNESS IN DC&P THAT IS SIGNIFICANT

10.1 **Conclusions on effectiveness of DC&P if a weakness exists that is significant** – If the certifying officers identify a weakness relating to the design or operation of DC&P that is significant existing as at the period-end date, the certifying officers could not conclude that the issuer's DC&P is effective. Certifying officers may not qualify their assessment by stating that the issuer's DC&P is effective subject to certain qualifications or exceptions unless the qualification pertains to one of the permitted scope limitations available in section 3.3 of the Instrument. A certifying officer could not conclude that the issuer's DC&P is effective if there is a deficiency, or combination of deficiencies, in DC&P such that there is a reasonable possibility that the issuer will not disclose material information required to be disclosed under securities legislation, within the time periods specified in securities legislation.

As required by paragraph 6(a) in Form 52-109F1, the certifying officers must ensure the issuer has disclosed in its annual MD&A the certifying officers' conclusions about the effectiveness of DC&P. The MD&A disclosure about the effectiveness of DC&P will be useful to investors if it discusses any identified weaknesses that are significant, whether the issuer has committed, or will commit, to a plan to remediate the identified weaknesses, and whether there are any mitigating procedures that reduce the risks that have not been addressed as a result of the identified weaknesses.

10.2 **Interim certification of DC&P design if a weakness exists that is significant** – If the certifying officers identify a weakness in the design of DC&P that is significant at the time of filing an interim certificate, to provide reasonable context for their certifications of the design of DC&P, it would be appropriate for the issuer to disclose in its interim MD&A the identified weakness and any other information necessary to provide an accurate and complete picture of the condition of the design of the issuer's DC&P.

10.3 **Certification of DC&P if a material weakness in ICFR exists** – As discussed in section 6.2 of the Policy, there is a substantial overlap between the definitions of DC&P and ICFR. If the certifying officers identify a material weakness in the issuer's ICFR, this will almost always represent a weakness that is significant in the issuer's DC&P.

PART 11 – REPORTING CHANGES IN ICFR

11.1 **Assessing the materiality of a change in ICFR** – Paragraph 7 of Form 52-109F1 and paragraph 6 of Form 52-109F2 require an issuer to disclose any change in the issuer's ICFR that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR. A material change in ICFR might occur regardless of whether the change is being made to remediate a material weakness (e.g., a change from a manual payroll system to an automated payroll system). A change in an issuer's ICFR that was made to remediate a material weakness would generally be considered a material change in an issuer's ICFR.

PART 12 – ROLE OF BOARD OF DIRECTORS AND AUDIT COMMITTEE

12.1 **Board of directors** – Form 52-109F1 requires the certifying officers to represent that the issuer has disclosed in its annual MD&A certain information about the certifying officers' evaluation of the effectiveness of DC&P. Form 52-109F1 also requires the certifying officers to represent that the issuer has disclosed in its annual MD&A certain information about the certifying officers' evaluation of the effectiveness of ICFR. Under National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102), the board of directors must approve the issuer's annual MD&A, including the required disclosure concerning DC&P and ICFR, before it is filed. To provide reasonable support for the board of directors' approval of an issuer's MD&A disclosure concerning ICFR, including any material weaknesses, the board of directors should understand the basis upon which the certifying officers concluded that any particular deficiency or combination of deficiencies did or did not constitute a material weakness (see section 9.2 of the Policy).

12.2 **Audit committee** – NI 52-110 requires the audit committee to review an issuer's financial disclosure and to establish procedures for dealing with complaints and concerns about accounting or auditing matters. Issuers subject to NI 52-110 should consider its specific requirements in designing and evaluating their DC&P and ICFR.

12.3 **Reporting fraud** – Paragraph 8 of Form 52-109F1 requires certifying officers to disclose to the issuer's auditors, the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR. Subsection 6.6(3) of the Policy provides guidance on the term "fraud" for purposes of this Instrument.

Two types of intentional misstatements are (i) misstatements resulting from fraudulent financial reporting, which includes omissions of amounts or disclosures in financial statements to deceive financial statement users, and (ii) misstatements resulting from misappropriation of assets.

PART 13 – CERTAIN LONG TERM INVESTMENTS

13.1 **Underlying entities** – An issuer might have a variety of long term investments that affect how the certifying officers design and evaluate the effectiveness of the issuer's DC&P and ICFR. In particular, an issuer could have any of the following interests:

(a) an interest in an entity that is a subsidiary which is consolidated in the issuer's financial statements;

(b) an interest in an entity that is a variable interest entity (a VIE) which is consolidated in the issuer's financial statements;

(c) an interest in an entity that is proportionately consolidated in the issuer's financial statements;

(d) an interest in an entity that is accounted for using the equity method in the issuer's financial statements (an equity investment); or

(e) an interest in an entity that is accounted for using the cost method in the issuer's financial statements (a portfolio investment).

In this Part, the term entity is meant to capture a broad range of structures, including, but not limited to, corporations. The terms "consolidated", "subsidiary", "VIE", "proportionately consolidated", "equity method" and "cost method" have the meaning ascribed to such terms under the issuer's GAAP. In this Part, the term "underlying entity" refers to one of the entities referred to in items (a) through (e) above.

13.2 **Fair presentation** – As discussed in section 4.1 of the Policy, the concept of fair presentation is not limited to compliance with the issuer's GAAP. If the certifying officers believe that an issuer's financial statements do not fairly present its financial condition insofar as it relates to an underlying entity, the certifying officers should cause the issuer to provide additional disclosure in its MD&A.

13.3 **Design and evaluation of DC&P and ICFR**

(1) ***Access to underlying entity*** – The nature of an issuer's interest in an underlying entity will affect the certifying officer's ability to design and evaluate the effectiveness of the controls, policies and procedures carried out by the underlying entity.

Subsidiary – In the case of an issuer with an interest in a subsidiary, as the issuer controls the subsidiary, certifying officers will have sufficient access to the subsidiary to design and evaluate the effectiveness of the controls, policies and procedures carried out by the underlying entity.

Proportionately consolidated entity or VIE – In the case of an issuer with an interest in a proportionately consolidated entity or a VIE, certifying officers might not always have sufficient access to the underlying entity to design and evaluate the effectiveness of the controls, policies and procedures carried out by the underlying entity.

Whether the certifying officers have sufficient access to a proportionately consolidated entity or a VIE to design and evaluate the effectiveness of the controls, policies and procedures carried out by the underlying entity is a question of fact. The sufficiency of their access could depend on, among other things:

(a) the issuer's percentage ownership of the underlying entity;

(b) whether the other underlying entity owners are reporting issuers;

(c) the nature of the relationship between the issuer and the operator of the underlying entity if the issuer is not the operator;

(d) the terms of the agreement(s) governing the underlying entity; and

(e) the date of creation of the underlying entity.

Portfolio investment or equity investment – In the case of an issuer with a portfolio investment or an equity investment, certifying officers will generally not have sufficient access to the underlying entity to design and evaluate the effectiveness of the controls, policies and procedures carried out by the underlying entity.

(2) ***Access to an underlying entity in certain indirect offering structures*** – In the case of certain indirect offering structures, including certain income trust and limited partnership offering structures, the issuer could have:

(a) a significant equity interest in the underlying entity but not legally control the underlying entity, since legal control is retained by a third party (typically the party involved in establishing the indirect offering structure) or

(b) an equity interest in an underlying entity that represents a significant asset of the issuer and results in the issuer providing the issuer's equity holders with separate audited annual financial statements and interim financial statements prepared in accordance with the same GAAP as the issuer's financial statements.

In these cases, we generally expect the trust indenture, limited partnership agreement or other constating documents to include appropriate terms ensuring the certifying officers will have sufficient access to the underlying entity to design and evaluate the effectiveness of the controls, policies and procedures carried out by the underlying entity.

(3) ***Reasonable steps to design and evaluate*** – Certifying officers should take all reasonable steps to design and evaluate the effectiveness of the controls, policies and procedures carried out by the underlying entity that provide the certifying officers with a basis for the representations in the annual and interim certificates. However, it is left to the discretion of the certifying officers, acting reasonably, to determine what constitutes “reasonable steps”.

If the certifying officers have access to the underlying entity to design the controls, policies and procedures discussed in subsection (2) and they are not satisfied with those controls, policies and procedures, the certifying officers should consider whether there exists a material weakness or a weakness in DC&P that is significant.

(4) ***Disclosure of a scope limitation relating to a proportionately consolidated entity or VIE*** – A scope limitation exists if the certifying officers would not have a reasonable basis for making the representations in the annual or interim certificates because they do not have sufficient access to a proportionately consolidated entity or VIE, as applicable, to design and evaluate the controls, policies and procedures carried out by that underlying entity.

When determining whether a scope limitation exists, certifying officers must initially consider whether one, or a combination of more than one, proportionately consolidated entity or VIE includes risks that could reasonably result in a material misstatement in the issuer’s annual filings, interim filings or other reports. The certifying officers would consider such risks when the certifying officers first identify the risks faced by the issuer in order to determine the scope and necessary complexity of the issuer’s DC&P or ICFR, as discussed in subsection 6.6(2) of the Policy.

The certifying officers would disclose a scope limitation if one, or a combination of more than one, proportionately consolidated entity or VIE includes risks that could reasonably result in a material misstatement and the certifying officers do not have sufficient access to design and evaluate the controls, policies and procedures carried out by each underlying entity.

The certifying officers would not disclose a scope limitation if a proportionately consolidated entity or VIE, individually or in combination with another such entity, does not include risks that could reasonably result in a material misstatement.

The issuer must disclose in its MD&A a scope limitation and summary financial information about each underlying entity in accordance with section 3.3 of the Instrument. The summary financial information may be disclosed in aggregate or individually for each proportionately consolidated entity or VIE.

Meaningful summary financial information about an underlying entity, or combination of underlying entities, that is the subject of a scope limitation would include:

(a) sales or revenues;

(b) income or loss before discontinued operations and extraordinary items;

(c) net income or loss for the period; and

unless (i) the accounting principles used to prepare the financial statements of the underlying entity permit the preparation of its balance sheet without classifying assets and liabilities between current and non-current, and (ii) the MD&A includes alternative meaningful financial information about the underlying entity, or combination of underlying entities, which is more appropriate to the underlying entity’s industry,

(d) current assets;

(e) non-current assets;

(f) current liabilities; and

(g) non-current liabilities.

Meaningful disclosure about an underlying entity that is the subject of a scope limitation would also include any contingencies and commitments for the proportionately consolidated entity or VIE.

(5) ***Limited access to the underlying entity of a portfolio investment or equity investment*** – Although the certifying officers may not have sufficient access to design and evaluate controls, policies and procedures carried out by the underlying entity of a portfolio investment or equity investment, the issuer's DC&P and ICFR should address the issuer's controls over its disclosure of material information relating to:

(a) the carrying amount of the investment;

(b) any dividends the issuer receives from the investment;

(c) any required impairment charge related to the investment; and

(d) if applicable, the issuer's share of any income/loss from the equity investment.

(6) ***Reliance on financial information of underlying entity*** – In most cases, certifying officers will have to rely on the financial information reported by a proportionately consolidated entity, VIE or the underlying entity of an equity investment. In order to certify an issuer's annual or interim filings that include information regarding the issuer's investment in these underlying entities, the certifying officers should perform the following minimum procedures:

(a) ensure that the issuer receives the underlying entity's financial information on a timely basis;

(b) review the underlying entity's financial information to determine whether it has been prepared in accordance with the issuer's GAAP; and

(c) review the underlying entity's accounting policies and evaluate whether they conform to the issuer's accounting policies.

PART 14 – BUSINESS ACQUISITIONS

14.1 **Access to acquired business** – In many circumstances it is difficult for certifying officers to design or evaluate controls, policies and procedures carried out by an acquired business shortly after acquiring the business. In order to address these situations, paragraph 3.3(1)(c) of the Instrument permits an issuer to limit the scope of its design of DC&P and ICFR for a business that the issuer acquired not more than 365 days before the end of the financial period to which the certificate relates. Generally this will result in an issuer limiting the scope of its design for a business acquisition for three interim certificates and one annual certificate.

14.2 **Disclosure of scope limitation** – When determining whether a scope limitation exists, certifying officers must initially consider whether an acquired business includes risks that could reasonably result in a material misstatement in the issuer's annual filings, interim filings or other reports. The certifying officers would consider such risks when the certifying officers first identify the risks faced by the issuer in order to determine the scope and necessary complexity of the issuer's DC&P or ICFR, as discussed in subsection 6.6(2) of the Policy. If the certifying officers limit the scope of their design of DC&P and ICFR for a recent business acquisition, this scope limitation and summary financial information about the business must be disclosed in the issuer's MD&A in accordance with section 3.3 of the Instrument and paragraph 5.3 in Form 52-109F1, or 52-109F2 as applicable. Meaningful summary financial information about the acquired business would include:

(a) sales or revenues;

(b) income or loss before discontinued operations and extraordinary items;

(c) net income or loss for the period; and

unless (i) the accounting principles used to prepare the financial statements of the acquired business permit the preparation of its balance sheet without classifying assets and liabilities between current and non-current, and (ii) the MD&A includes alternative meaningful financial information about the acquired business which is more appropriate to the acquired business' industry,

(d) current assets;

(e) non-current assets;

(f) current liabilities; and

(g) non-current liabilities.

Meaningful disclosure about the acquired business would also include the issuer's share of any contingencies and commitments, which arise as a result of the acquisition. In the case of related businesses, as defined in NI 51-102, the issuer may present the summary financial information about the businesses on a combined basis.

PART 15 – VENTURE ISSUER BASIC CERTIFICATES

15.1 **Venture issuer basic certificates** – Many venture issuers have few employees and limited financial resources which make it difficult for them to address the challenges described in section 6.11 of the Policy. As a result, many venture issuers are unable to design DC&P and ICFR without (i) incurring significant additional costs, (ii) hiring additional employees, or (iii) restructuring the board of directors and audit committee. Since these inherent limitations exist for many venture issuers, the required forms of certificate for venture issuers are Forms 52-109FV1 and 52-109FV2. These forms do not include representations relating to the establishment and maintenance of DC&P and ICFR.

Although Forms 52-109FV1 and 52-109FV2 are the required forms for venture issuers, a venture issuer may elect to file Forms 52-109F1 or 52-109F2, which include representations regarding the establishment and maintenance of DC&P and ICFR.

Certifying officers of a non-venture issuer are not permitted to use Forms 52-109FV1 and 52-109FV2. Although a non-venture issuer may face similar challenges in designing its ICFR, such as those described in section 6.11 of the Policy, the issuer is still required to file Forms 52-109F1 and 52-109F2 and disclose in the MD&A a description of each material weakness existing at the end of the financial period.

15.2 **Note to reader included in venture issuer basic certificates** – Forms 52-109FV1 and 52-109FV2 include a note to reader that clarifies the responsibility of certifying officers and discloses that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

15.3 **Voluntary disclosure regarding DC&P and ICFR** – If a venture issuer files Form 52-109FV1 or 52-109FV2, it is not required to discuss in its annual or interim MD&A the design or operating effectiveness of DC&P or ICFR. If a venture issuer files Form 52-109FV1 or 52-109FV2 and chooses to discuss in its annual or interim MD&A or other regulatory filings the design or operation of one or more components of its DC&P or ICFR, it should also consider disclosing in the same document that:

(a) the venture issuer is not required to certify the design and evaluation of the issuer's DC&P and ICFR and has not completed such an evaluation; and

(b) inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR for the issuer may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

A selective discussion in a venture issuer's MD&A about one or more components of a venture issuer's DC&P or ICFR without these accompanying statements will not provide transparent disclosure of the state of the venture issuer's DC&P or ICFR.

PART 16 – CERTIFICATION REQUIREMENTS FOR A NEW REPORTING ISSUER AND AN ISSUER THAT BECOMES A NON-VENTURE ISSUER

16.1 **Certification requirements after becoming a non-venture issuer** – Sections 4.5 and 5.5 of the Instrument permit an issuer that becomes a non-venture issuer to file Forms 52-109F1 – IPO/RTO and 52-109F2 – IPO/RTO for the first

certificate that the issuer is required to file under this Instrument, for a financial period that ends after the issuer becomes a non-venture issuer. If, subsequent to becoming a non-venture issuer, the issuer is required to file an annual or interim certificate for a period that ended while it was a venture issuer, the required form of certificate for that annual or interim filing is Form 52-109FV1 or 52-109FV2.

PART 17 – EXEMPTIONS

17.1 **Issuers that comply with U.S. laws** – Some Canadian issuers that comply with U.S. laws might choose to prepare two sets of financial statements and file financial statements in Canada with accounting principles that differ from those that are filed or furnished in the U.S. For example, an issuer may file U.S. GAAP financial statements in the U.S. and financial statements using another acceptable form of GAAP in Canada. In order to ensure that the financial statements filed in Canada are certified (under either the Instrument or SOX 302 Rules), those issuers will not have recourse to the exemptions in sections 8.1 and 8.2 of the Instrument.

PART 18 – LIABILITY FOR CERTIFICATES CONTAINING MISREPRESENTATIONS

18.1 **Liability for certificates containing misrepresentations** – A certifying officer providing a certificate containing a misrepresentation potentially could be subject to quasi-criminal, administrative or civil proceedings under securities law.

A certifying officer providing a certificate containing a misrepresentation could also potentially be subject to private actions for damages either at common law or, in Québec, under civil law, or under the statutory civil liability regimes in certain jurisdictions.

PART 19 – TRANSITION

19.1 **Representations regarding DC&P and ICFR following the transition periods** – If an issuer files an annual certificate in Form 52-109F1 or an interim certificate in Form 52-109F2 that includes representations regarding DC&P or ICFR, these representations would not extend to the prior period comparative information included in the annual filings or interim filings if:

(a) the prior period comparative information was previously the subject of certificates that did not include these representations; or

(b) no certificate was required for the prior period.

PART 20 – CERTIFICATION OF REVISED OR RESTATED ANNUAL OR INTERIM FILINGS

20.1 **Certification of revised or restated annual or interim filings** – If an issuer files a revised or restated continuous disclosure document that was originally certified as part of its annual or interim filings, the certifying officers would need to file Form 52-109F1R or Form 52-109F2R. These certificates would be dated the same date the certificate is filed and filed on the same date as the revised or restated continuous disclosure document.

20.2 **Disclosure considerations if an issuer revises or restates a continuous disclosure document** – If an issuer determines that it needs to revise or restate previously issued financial statements, the issuer should consider whether its original disclosures regarding the design or operating effectiveness of ICFR are still appropriate and should modify or supplement its original disclosure to include any other material information that is necessary for such disclosures not to be misleading in light of the revision or restatement.

Similarly, if an issuer determines that it needs to revise or restate a previously issued continuous disclosure document, the issuer should consider whether its original disclosures regarding the design or operating effectiveness of DC&P are still appropriate and should modify or supplement its original disclosure to include any other material information that is necessary for such disclosures not to be misleading in light of the revision or restatement.

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
07/31/2008	77	1263343 Alberta Inc. - Receipts	5,081,500.00	5,081,500.00
07/15/2008	16	2077406 Ontario Inc. - Common Shares	12,335,819.53	411,189.00
07/29/2008	46	Abitex Resources Inc. - Receipts	1,636,500.00	2,727,500.00
07/30/2008	3	Abitex Resources Inc. - Units	1,500,000.00	2,500,000.00
07/21/2008	9	Abode Mortgage Holdings Corp. - Notes	580,000.00	4.00
07/30/2008	31	Advanced Explorations Inc. - Common Shares	5,986,700.00	5,422,453.00
07/18/2008	13	Adventure Gold Inc. - Common Shares	147,000.00	700,000.00
11/12/2007	1	Aerogroup Developments Inc. - Common Shares	435,500.00	538,461.00
07/21/2008	73	Almagro Gold Corporation - Common Shares	1,144,648.75	4,569,000.00
07/31/2008	13	Altima Resources Ltd. - Flow-Through Units	1,757,680.02	9,764,889.00
07/31/2008	20	Altima Resources Ltd. - Non-Flow Through Units	1,081,531.52	6,759,572.00
07/23/2008	7	Amanta Resources Ltd. - Units	151,995.00	1,013,300.00
07/22/2008	9	Annidis Health Systems Corp. - Units	150,000.00	NA
07/30/2008	3	ATL Boad Street Partners LLC - Limited Liability Interest	38,478,750.00	NA
07/28/2008	1	Aurelian Resources Inc. - Common Shares	71,250,000.00	15,000,000.00
07/17/2008	3	Bison Gold Exploration Inc. - Common Shares	255,000.00	1,700,000.00
01/01/2007 to 12/31/2007	5	BluMont X-Alpha Limited Partnership 1 - Units	918,000.00	36,000.00
07/23/2008 to 08/01/2008	20	Brant Park Inn Limited Partnership - Limited Partnership Units	2,620,000.00	15.00
02/26/2008 to 07/23/2008	1	Broadband Learning Corporation - Debentures	5,000,000.00	5,000,000.00
08/01/2008	20	B.E.S.T. Cleantech Fund IV Ontario Limited - Common Shares	1,076,134.41	102,197.00
08/01/2008	6	B.E.S.T. Telematics Fund I Ontario Limited - Common Shares	453,620.00	45,362.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
06/25/2008	22	C3 Resources Inc. - Common Shares	840,000.00	14,000,000.00
07/29/2008	16	C3 Resources Inc. - Common Shares	850,000.00	3,400,000.00
01/05/2007 to 12/28/2007	400	Caldwell Growth Opportunities Trust - Units	41,005,834.09	1,869,876.20
05/18/2007 to 10/12/2007	7	Caldwell High Income Trust - Units	630,644.00	59,449.69
01/29/2007 to 12/28/2007	245	Caldwell ICM Market Strategy Trust - Units	12,862,997.88	1,213,537.29
05/18/2007	1	Caldwell Institutional Bond Pool - Units	300,000.00	38,987.73
02/02/2007 to 10/12/2007	7	Caldwell Institutional Equity Pool - Units	1,651,675.45	138,104.94
07/24/2008 to 07/29/2008	15	CareVest Blended Mortgage Investment Corporation - Preferred Shares	427,715.00	427,715.00
07/24/2008 to 07/29/2008	17	CareVest First Mortgage Investment Corporation - Units	396,012.00	396,012.00
07/24/2008 to 07/29/2008	10	CareVest Second Mortgage Investment Corporation - Preferred Shares	239,266.00	239,266.00
07/23/2008	4	Carmax Explorations Ltd. - Non-Flow Through Units	38,000.00	475,000.00
07/30/2008	7	Caymus Capital Corp. - Common Shares	1,000,000.00	10,000,000.00
07/17/2008	16	Century Energy Ltd. - Units	199,000.00	1,809,092.00
08/01/2008	12	Clear Vistas Development Corporation - Units	528,600.00	5,286.00
07/16/2008	2	Clifton Star Resources Inc. - Common Shares	2,744,992.88	1,182,248.00
07/19/2008 to 07/25/2008	15	CMC Markets Canada Inc. - Contracts for Differences	86,090.00	15.00
07/26/2008 to 08/01/2008	40	CMC Markets Canada Inc. - Contracts for Differences	113,090.00	40.00
07/24/2008	10	Continuum Resources Ltd. - Debentures	265,000.00	265,000.00
04/12/2007 to 12/31/2007	72	Crystal Enhanced Mortgage Fund - Trust Units	21,394,411.62	2,130,962.45
07/22/2008	1	Cue Resources Ltd. - Units	200,000.00	500,000.00
01/17/2007	0	DeAm Canada Contrarian Value Equity Fund II - Trust Units	NA	NA
01/10/2007 to 12/12/2007	-1	DeAm Canada Global Equity Fund - Trust Units	1,663,241.10	115,532.67
07/30/2008	16	Delavaco Energy Inc. - Common Shares	3,478,800.00	1,739,400.00
07/01/2007 to 12/01/2007	2	DGAM Diversified Fund - Common Shares	23,730,580.00	22,900.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
07/24/2008	1	Ditem Explorations Inc. - Flow-Through Shares	750,000.00	1,500,000.00
12/05/2007	2	Dorothy of OZ, LLC - Common Shares	26,600.00	26,600.00
10/05/2007	1	Dorothy of OZ, LLC - Limited Liability Interest	5,000.00	5,000.00
12/28/2007	2	Dorothy of OZ, LLC - Units	50,000.00	50,000.00
04/17/2008	1	Dorothy of OZ, LLC - Units	5,000.00	5,000.00
07/01/2007 to 06/30/2008	95	Dynamic Alpha Performance Fund - Units	5,283,445.52	859,296.56
03/31/2008	1	Dynamic Alternative Opportunities Fund - Units	175,000.00	35,000.00
07/01/2007 to 06/30/2008	275	Dynamic Contrarian Fund - Units	12,971,101.02	1,404,699.20
07/01/2007 to 06/30/2008	4	Dynamic Focus+Alternative Fund - Units	138,500.00	21,161.03
07/01/2007 to 06/30/2008	597	Dynamic Income Opportunities Fund - Units	41,178,008.21	3,324,382.75
07/01/2007 to 06/30/2008	1365	Dynamic Power Emerging Markets Fund - Units	71,180,046.04	6,606,562.63
07/01/2007 to 06/30/2008	489	Dynamic Power Hedge Fund - Units	44,416,965.50	3,368,449.76
07/01/2007 to 06/30/2008	189	Dynamic Strategic Value Fund - Units	12,567,059.64	1,273,999.91
07/16/2008	5	DynaMotive Energy Systems Corporation - Common Shares	1,335,054.00	3,803,570.00
07/25/2008	6	Ecu Silver Mining Inc. - Debentures	6,000,000.00	3,428,571.00
12/14/2007	1	Emerging Markets Growth Fund, Inc. - Common Shares	5,987,255.00	417,867.22
07/31/2008	27	Enbridge Gas New Brunswick Limited Partnership - Units	3,900,610.00	3,787.00
01/01/2007 to 12/31/2007	49	ESI Managed Portfolio - Trust Units	3,184,615.72	247,508.24
10/26/2007 to 12/31/2007	2	ESI Premium Portfolio - Trust Units	313,369.01	31,336.90
07/30/2008	4	Eurocontrol Technics Inc. - Units	500,000.00	2,000,000.00
07/22/2008	1	Exploration Syndicate, Inc. - Common Shares	2,117,850.00	2,000,000.00
07/17/2008 to 07/22/2008	2	First Leaside Elite Limited Partnership - Limited Partnership Interest	200,056.73	198,296.00
07/24/2008 to 07/29/2008	2	First Leaside Elite Limited Partnership - Limited Partnership Interest	121,716.50	118,495.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
07/29/2008	1	First Leaside Expansion Limited Partnership - Limited Partnership Interest	100,000.00	100,000.00
07/24/2008	1	First Leaside Fund - Trust Units	50,000.00	50,000.00
07/23/2008	1	First Leaside Fund - Trust Units	46,024.00	46,024.00
07/29/2008	1	First Leaside Visions I Limited Partnership - Limited Partnership Interest	100,000.00	100,000.00
06/24/2008 to 06/28/2008	3	First Leaside Wealth Management Inc. - Notes	257,372.00	257,372.00
07/14/2008	1	First Reserve Fund XI, LP - Limited Partnership Interest	503,050,000.00	1.00
07/17/2008 to 07/26/2008	47	Fisgard Capital Corporation - Common Shares	1,268,753.75	1,020,150.00
02/01/2008	1	Flatiron Market Neutral LP - Units	26,530,000.00	23,266.25
02/01/2008	1	Flatiron Merger Arbitrage LP - Limited Partnership Units	5,000,000.00	5,000.00
07/23/2008 to 07/28/2008	4	Fort St. John Retail Limited Partnership - Limited Partnership Units	132,000.00	132,000.00
07/25/2008	1	GBS Gold International Inc. - Common Shares	8,685,408.00	6,107,023.00
08/05/2008	1	GBS Gold International Inc. - Units	8,068,000.00	4,746,000.00
07/14/2008 to 07/18/2008	26	General Motors Acceptance Corporation of Canada, Limited - Notes	9,711,590.67	97,116.00
07/28/2008 to 08/01/2008	24	General Motors Acceptance Corporation of Canada, Limited - Notes	8,402,733.13	8,402,733.13
02/03/2008 to 02/12/2008	7	Global Trader Europe Limited - Contracts for Differences	26,895.50	34,370.00
07/16/2008	22	Gold Hawk Resources Inc. - Common Shares	3,300,000.00	55,000,000.00
01/01/2007 to 12/31/2007	1	Goldman Sachs Financial Square Tax-Free Money Market Inst. - Common Shares	NA	221,411,121.00
01/01/2007 to 12/31/2007	6	Goldman Sachs International Real Estate Securities Fund - Common Shares	4,661,931.06	379,121.77
07/01/2007 to 06/30/2008	66	Goodman Private Wealth Management Balanced Pool - Units	2,542,628.54	184,242.64
07/14/2008	13	Greenwich Registered Capital Ltd. - Bonds	276,400.00	2,764.00
07/14/2008	14	Greenwich Registered Investments Ltd. - N/A	276,676.40	2,764.00
01/01/2007 to 12/31/2007	5	GS USD Liquid Reserves Fund #399 - Common Shares	5,407,002.81	5,417,283.15
01/01/2007 to 12/31/2007	27	GS USD Liquid Reserves Fund #499 - Common Shares	133,686,450.98	136,763,632.50

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2007 to 12/31/2007	2	GS USD Liquid Reserves Fund #599 - Common Shares	168,965.42	172,854.65
07/03/2008	48	GSR Ventures III, L.P. - Limited Partnership Interest	318,274,110.00	NA
07/21/2008	20	Guardian Advisors LP II - Limited Partnership Units	2,703,780.00	27.00
01/01/2007 to 12/31/2007	2	Guardian Balanced Fund - Units	7,590,600.30	502,930.70
01/01/2007 to 12/31/2007	1	Guardian Canada Plus 130/30 Equity Fund - Units	2,006,939.00	200,697.74
01/01/2007 to 12/31/2007	1	Guardian Canadian 130/30 Equity Fund - Units	1,000,546.50	100,046.70
01/01/2007 to 12/31/2007	27	Guardian Canadian Bond Fund - Units	66,126,102.70	6,129,272.29
01/01/2007 to 12/31/2007	21	Guardian Canadian Equity Fund - Units	38,494,444.58	258,525.43
01/01/2007 to 12/31/2007	33	Guardian Canadian Growth Equity Fund - Units	16,908,045.84	564,254.19
01/01/2007 to 12/31/2007	3	Guardian Canadian Maple Equity Fund - Units	55,978.14	5,060.34
01/01/2007 to 12/31/2007	38	Guardian Canadian Plus Equity Fund - Units	2,443,558.28	235,528.17
01/01/2007 to 12/31/2007	18	Guardian Canadian Small/Mid Cap Fund - Units	35,507,161.25	1,344,586.12
01/01/2007 to 12/31/2007	6	Guardian Canadian Value Equity Fund - Units	83,201.96	7,064.95
01/01/2007 to 12/31/2007	22	Guardian Global Equity Fund - Units	40,379,147.24	3,567,128.30
01/01/2007 to 12/31/2007	23	Guardian High Yield Bond Fund - Units	2,924,935.58	298,342.02
01/01/2007 to 12/31/2007	25	Guardian Income Trust Fund - Units	18,073,773.95	1,285,011.11
01/01/2007 to 12/31/2007	2	Guardian Index-Enhanced Bond Fund - Units	56,275.36	5,721.70
01/01/2007 to 12/31/2007	12	Guardian International Equity Fund - Units	632,519.86	156,789.05
01/01/2007 to 12/31/2007	29	Guardian U.S. Equity Fund - Units	1,871,136.09	190,907.05
07/31/2008	18	Gushor Inc. - Debentures	349,585.00	349,585.00
07/25/2008	1	Halo Resources Ltd. - Common Shares	7,500.00	50,000.00
04/12/2007 to 12/31/2007	63	IFM Monitored World Equity - Trust Units	16,021,957.20	160,014.93

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
07/23/2008 to 07/29/2008	131	IGW Real Estate Investment Trust - Trust Units	5,078,874.39	4,689,631.00
07/28/2008 to 07/31/2008	42	IGW Real Estate Investment Trust - Trust Units	1,116,624.00	1,031,044.00
07/14/2008 to 07/22/2008	43	IGW Real Estate Investment Trust - Trust Units	1,521,533.83	1,404,925.00
07/30/2008	11	InFraReDx, Inc. - Preferred Shares	4,066,402.43	2,205,839.00
07/23/2008	2	Intrepid Business Acceleration Fund LP - Units	449,242.29	441.00
07/29/2008	17	IP Applications Corp. - Units	775,000.00	3,875,000.00
07/08/2008	24	Ivanhoe Energy Inc. - Special Warrants	88,002,000.00	29,334,000.00
07/23/2008	2	Kilmer Capital Fund II L.P. - Limited Partnership Interest	20,000,000.00	20,000,000.00
07/23/2008	5	Klondike Gold Corp. - Flow-Through Units	500,000.00	9,090,905.00
07/23/2008	11	Klondike Silver Corp. - Units	930,000.00	275,000.00
02/13/2008	38	La Quinta Resources Corporation - Units	1,192,500.00	5,962,500.00
07/25/2008	4	Labrador Technologies Inc. - Units	150,000.00	600,000.00
07/29/2008	8	Landdrill International Inc. - Common Shares	2,000,000.00	500,000.00
07/30/2008	5	Laurentian Goldfields Ltd. - Common Shares	26,910.00	103,500.00
01/01/2007 to 12/01/2007	276	Lawrence Income Fund - Trust Units	21,587,620.66	514,872.38
01/01/2007 to 12/01/2007	796	Lawrence Partners Fund - Trust Units	78,859,808.68	362,198.85
07/18/2008	4	Lund Gold Ltd. - Common Shares	19,000.00	100,000.00
07/01/2007 to 06/30/2008	1	Mellon Pooled International Core Equity Fund - Units	4,129,033.90	383,823.20
07/11/2008	1	Merrill Lynch S.A. - Note	10,092,000.00	1.00
07/28/2008	2	MTB Industries Inc. - Common Shares	166,666.67	57.30
06/30/2008	3	MTC Growth Fund I-Inc. - Special Shares	400,000.00	22,226.00
07/17/2008	28	Mustang Minerals Corp. - Flow-Through Shares	3,881,157.28	8,820,812.00
07/25/2008	79	Nayarit Gold Inc. - Units	10,023,992.00	17,900,000.00
07/25/2008 to 08/02/2008	31	Nelson Financial Group Ltd. - Notes	1,241,200.00	31.00
07/25/2008	13	NeoClassics Films Ltd. - Common Shares	628,700.00	2,095,668.00
08/01/2008	50	New World Lenders Corp. - Bonds	2,633,855.00	2,605.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
07/30/2008	1	Newport Global Equity Fund - Units	2,000.00	27.68
07/31/2008	17	Newport Strategic Yield Fund Limited Partnership - Units	479,510.21	43,000.00
07/24/2008 to 07/29/2008	2	Newport Yield Fund - Units	25,000.00	211.26
07/24/2008	4	Newton Energy Corporation - Common Shares	1,362,500.00	1,362,500.00
07/31/2008	43	Northern Lights Uranium Corp. - Common Shares	851,500.00	5,676,667.00
07/25/2008	1	Northern Tiger Resources Inc. - Flow-Through Shares	350,000.00	1,060,606.00
06/25/2008	79	NuCoal Energy Corp. - Units	3,967,302.90	4,877,266.00
01/31/2007	1	OMERS/AACP Investors, L.P. - Limited Partnership Interest	29,562,500.00	29,562,500.00
07/31/2008	7	Origin Biomed Inc. - Preferred Shares	676,031.00	482,877.00
07/09/2008 to 07/18/2008	81	Otis Capital Corp. - Common Shares	1,882,500.00	3,765,000.00
08/01/2008	2	Pacific Energy Resources Ltd. - Common Shares	NA	692,951.00
07/31/2008	102	PBS Coals Corporation - Receipts	96,262,200.00	16,043,700.00
07/21/2008	9	PFC2018 Pacific Financial Corp. - Bonds	772,000.00	NA
07/14/2008	6	Platinum 5 Acres and a Mule Limited Partnership - Limited Partnership Units	425,000.00	17.00
08/01/2008	1	Ranchlands I Limited Partnership - Loans	25,000.00	25,000.00
07/10/2008	56	Raytec Metals Corp. - Flow-Through Shares	8,000,160.00	5,714,400.00
07/10/2008	162	Raytec Metals Corp. - Units	17,000,040.00	14,166,700.00
07/29/2008	2	Redux Duncan City Centre Limited Partnership - Limited Partnership Units	20,000.00	20,000.00
07/28/2008	1	Redux Duncan City Centre Limited Partnership - Limited Partnership Units	10,000.00	10,000.00
07/31/2008	25	Reg Technologies Inc. - Units	526,067.20	1,315,168.00
07/22/2008	17	Regis Resources Ltd. - Units	19,630,000.00	98,150,000.00
07/25/2008	9	Renegade Oil & Gas Ltd. - Common Shares	270,000.00	108,000.00
07/25/2008	12	Renegade Oil & Gas Ltd. - Flow-Through Shares	1,427,926.95	501,027.00
05/23/2008	16	Renforth Resources Inc. - Common Shares	941,999.24	3,364,283.00
01/01/2007 to 12/31/2007	317	Resolute Performance Fund - Trust Units	59,738,851.86	2,757,870.10

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/11/2008	7	River Run Vistas Corporation - Units	936,000.00	936.00
09/03/2007	1	RMF Index Plus Series: S&P 500 Limited - Units	9,625,409.91	9,625.41
06/27/2008	13	Rockex Limited - Common Shares	1,230,000.00	1,144,091.00
07/28/2008	2	Rockport Mining Corp. - Units	1,800,000.00	1,090,908.00
07/18/2008	34	Silver Fields Resources Inc. - Units	570,000.00	5,000,000.00
07/07/2008	1	Silver Reserve Corp. - Common Share Purchase Warrant	245,750.00	500,000.00
07/23/2008	2	Sino-Forest Corporation - Notes	300,000,000.00	21,500,000.00
07/17/2008	9	Spartan BioScience Inc. - Common Shares	180,493.20	257,849.00
08/01/2008	2	Stacey Muirhead Limited Partnership - Limited Partnership Units	217,844.88	6,146.29
08/01/2008	2	Stacey Muirhead RSP Fund - Trust Units	194,476.62	19,337.63
08/08/2008	48	Storm Ventures International Inc. - Common Shares	31,125,625.00	4,980,100.00
06/18/2008	2	Stornoway Diamond Corporation - Common Shares	600,000.00	604,900.00
03/14/2008	2	Stornoway Diamond Corporation - Common Shares	300,000.00	1,099,708.00
06/16/2008	2	Stornoway Diamond Corporation - Common Shares	600,000.00	1,725,626.00
07/31/2008	2	Stornoway Diamond Corporation - Common Shares	600,000.00	1,055,893.00
07/29/2008	151	Ten Peaks Capital Trust - Trust Units	2,800,050.00	282,505.00
07/31/2008	3	The McElvaine Investment Trust - Trust Units	336,000.00	37,088.83
07/29/2008	20	Titan Trading Analytics Inc. - Common Shares	520,500.00	2,035,000.00
04/17/2008 to 04/25/2008	4	Trez Capital Corporation - Mortgage	3,800,000.00	NA
04/28/2008	1	Trez Capital Corporation - Mortgage	350,000.00	NA
06/03/2008 to 06/06/2008	2	Trez Capital Corporation - Mortgage	3,050,000.00	NA
07/30/2008	11	True Production Services Inc. - Units	123,500.00	247,000.00
07/22/2008	63	Union Agriculture Group Corp. - Common Shares	67,999,685.00	48,571,203.00
02/15/2008	40	Urbanfund Corp. - Common Shares	8,641,200.00	28,804,000.00
07/22/2008	2	Valcent Products Inc. - Units	36,636.60	61,000.00
07/16/2008	12	Valor Ventures Inc. - Common Shares	300,000.00	1,500,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2007 to 12/31/2007	13	Vector Canadian Bond Fund - Units	6,818,949.65	150,295.96
01/01/2007 to 12/31/2007	7	Vector Canadian Small/Mid Cap Fund - Units	12,094,321.28	818,646.73
12/31/2007	8	Vector International Equity Fund - Units	463,216.05	31,780.87
01/01/2007 to 12/31/2007	5	Vector Premium Growth Fund - Units	1,933,365.05	58,320.33
12/31/2007	11	Vector U.S. Equity Fund - Units	633,900.00	14,774.95
07/24/2008	65	Velo Energy Inc. - Common Shares	449,291.55	5,990,554.00
07/24/2008	11	Verbina Resources Inc. - Common Share Purchase Warrant	446,875.00	343,750.00
07/24/2008	13	Verbina Resources Inc. - Flow-Through Shares	252,750.00	337,000.00
07/21/2008	4	Voice Enabling Systems Technology Inc. - Units	78,000.00	130,000.00
06/13/2008	3	Voice Enabling Systems Technology Inc. - Units	97,999.80	163,333.00
03/05/2008	2	Voice Enabling Systems Technology Inc. - Units	72,000.00	120,000.00
10/04/2007	1	Voice Enabling Systems Technology Inc. - Units	74,999.66	91,463.00
08/07/2008	6	VSS Communications Parallel Partners IV, L.P. - Limited Partnership Interest	15,437,864.00	14,801,823.00
07/23/2008	44	Walton AZ Silver Reef 2 Investment Corporation - Common Shares	1,128,990.00	112,899.00
07/29/2008	6	Walton AZ Toltec Investment Corporation - Common Shares	407,000.00	40,700.00
07/29/2008	3	Walton AZ Toltec Limited Partnership - Limited Partnership Units	508,627.66	50,047.00
07/29/2008	18	Walton Ottawa Region Investment Corporation - Common Shares	447,260.00	37,526.00
07/29/2008	8	Walton Ottawa Region Limited Partnership - Units	486,260.00	48,626.00
07/28/2008	52	Walton TX South Grayson Investment Corporation - Common Shares	1,254,490.00	125,449.00
07/31/2008	33	Walton TX South Grayson Investment Corporation - Common Shares	552,460.00	55,246.00
07/31/2008	16	Walton TX South Grayson Limited Partnership - Limited Partnership Units	970,427.29	94,262.00
07/22/2008	106	Whistler Gold Corp. - Units	8,000,000.00	20,000,000.00
08/01/2008	4	Whitecastle New Urban Fund, L.P. - Limited Partnership Units	6,550,000.00	6,550,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
07/25/2008	1	Wind Point Partners VII-B, L.P. - Limited Partnership Interest	76,230,000.00	1.00
07/31/2008	4	World Heart Corporation - Common Shares	30,900,000.00	386,000,000.00
07/11/2008	13	X-Terra Resources Corporation - Common Shares	5,000,000.00	5,000,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
26 Broadway Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary CPC Prospectus dated August 7, 2008
NP 11-202 Receipt dated August 8, 2008
Offering Price and Description:
$200,000.00 - 2,000,000 Common Shares Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Wolverton Securities Ltd.
Promoter(s):
P. Bradley Kitchen
Project #1254075

Issuer Name:
71 Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated August 8, 2008
NP 11-202 Receipt dated August 8, 2008
Offering Price and Description:
Minimum Offering: $250,000.00 or 2,500,000 Common Shares Maximum Offering: $750,000.00 or 7,500,000 Common Shares Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Standard Securities Capital Corporation
Promoter(s):
-
Project #1302000

Issuer Name:
Consonus Technologies, Inc.
Principal Regulator - Ontario
Type and Date:
Eight Amended and Restated Preliminary PREP Prospectus dated August 12, 2008
Mutual Reliance Review System Receipt dated August 12, 2008
Offering Price and Description:
$ * - 3,000,000 Shares of Common Stock Price: $ * per Share
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
-
Project #1096495

Issuer Name:
Dynamic Power Balanced Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 6, 2008
NP 11-202 Receipt dated August 7, 2008
Offering Price and Description:
Series A,F, I, O and T Shares
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel, Ltd.
Project #1301256

Issuer Name:
Gaz Métro inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated August 6, 2008
NP 11-202 Receipt dated August 7, 2008
Offering Price and Description:
$400,000,000.00 - SERIES L FIRST MORTGAGE BONDS guaranteed by Gaz Métro Limited Partnership
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1300772

Issuer Name:
Epsilon Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated August 6, 2008
NP 11-202 Receipt dated August 6, 2008
Offering Price and Description:
$35,000,000.00 - 5,600,000 Common Shares Price: $6.25 per Common Share
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
Cormark Securities Inc.
Promoter(s):
Zoran Arandjelovic
John Wilson
Kurt Portmann
Project #1300761

Issuer Name:
Pacific Rubiales Energy Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated August 5, 2008
NP 11-202 Receipt dated August 6, 2008
Offering Price and Description:
$• - •% Convertible Unsecured Subordinated Debentures
Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Capital Corporation
Cormark Securities Inc.
Macquarie Capital Markets Canada Ltd.
Thomas Weisel Partners Canada Inc.
Promoter(s):
-
Project #1300375

Issuer Name:
PCI-1 Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated August 1, 2008
NP 11-202 Receipt dated August 6, 2008
Offering Price and Description:
$300,000.00 -1,200,000 COMMON SHARES Price: $0.25 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Richard Elder
Project #1300646

Issuer Name:
ProMetic Life Sciences Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated August 8, 2008
NP 11-202 Receipt dated August 12, 2008
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1302138

Issuer Name:
Rio Alto Mining Limited
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Prospectus dated August 7, 2008
NP 11-202 Receipt dated August 8, 2008
Offering Price and Description:
$ * - * Units Price - $ * per Unit
Underwriter(s) or Distributor(s):
Salman Partners Inc.
Raymond James Ltd.
Haywood Securities Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #1282847

Issuer Name:
ROI Global Supercycle Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 6, 2008
NP 11-202 Receipt dated August 6, 2008
Offering Price and Description:
Series A, F, F-7, F-9, O, 7 and 9 Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Return on Innovation Management Ltd.
Project #1300450

Issuer Name:
Southeast Asia Mining Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated August 6, 2008
NP 11-202 Receipt dated August 8, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
John Cullen
Project #1301376

Issuer Name:
Class A Units (unless otherwise noted) of:
CIBC Canadian T-Bill Fund (formerly CIBC Premium Canadian T -Bill Fund) (also offers Premium Class Units)
CIBC Money Market Fund (also offers Premium Class Units)
CIBC U.S. Dollar Money Market Fund (also offers Premium Class Units)
CIBC High Yield Cash Fund
CIBC Short-Term Income Fund (formerly CIBC Mortgage and Short -Term Income Fund)
CIBC Canadian Bond Fund (also offers Premium Class Units)
CIBC Monthly Income Fund
CIBC Global Bond Fund
CIBC Global Monthly Income Fund
CIBC Balanced Fund
CIBC Dividend Income Fund (formerly CIBC Diversified Income Fund)
CIBC Dividend Growth Fund (formerly CIBC Dividend Fund)
CIBC Canadian Equity Fund
CIBC Canadian Equity Value Fund
CIBC Canadian Small-Cap Fund (formerly CIBC Capital Appreciation Fund)
CIBC Disciplined U.S. Equity Fund
CIBC U.S. Small Companies Fund
CIBC Global Equity Fund
CIBC Disciplined International Equity Fund
CIBC European Equity Fund
CIBC Japanese Equity Fund
CIBC Emerging Markets Fund (formerly CIBC Emerging Economies Fund)
CIBC Asia Pacific Fund (formerly CIBC Far East Prosperity Fund)
CIBC Latin American Fund
CIBC International Small Companies Fund
CIBC Financial Companies Fund
CIBC Canadian Resources Fund
CIBC Energy Fund
CIBC Canadian Real Estate Fund
CIBC Precious Metals Fund
CIBC North American Demographics Fund
CIBC Global Technology Fund
CIBC Canadian Short-Term Bond Index Fund
CIBC Canadian Bond Index Fund
CIBC Global Bond Index Fund
CIBC Balanced Index Fund
CIBC Canadian Index Fund
CIBC U.S. Broad Market Index Fund (formerly CIBC U.S. Equity Index Fund)
CIBC U.S. Index Fund (formerly CIBC U.S. Index RRSP Fund)
CIBC International Index Fund
CIBC European Index Fund
CIBC Japanese Index RRSP Fund
CIBC Emerging Markets Index Fund
CIBC Asia Pacific Index Fund
CIBC Nasdaq Index Fund
CIBC Managed Income Portfolio
CIBC Managed Income Plus Portfolio
CIBC Managed Balanced Portfolio
CIBC Managed Monthly Income Balanced Portfolio
CIBC Managed Balanced Growth Portfolio (formerly CIBC Managed Balanced Growth RRSP Portfolio)
CIBC Managed Growth Portfolio (formerly CIBC Managed Growth RRSP Portfolio)
CIBC Managed Aggressive Growth Portfolio (formerly CIBC Managed Aggressive Growth RRSP Portfolio)
CIBC U.S. Dollar Managed Income Portfolio
CIBC U.S. Dollar Managed Balanced Portfolio
CIBC U.S. Dollar Managed Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated August 11, 2008
NP 11-202 Receipt dated August 12, 2008
Offering Price and Description:
Class A Units and Premium Class Units
Underwriter(s) or Distributor(s):
CIBC Securities Inc.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #1280008

Issuer Name:
Harmony Canadian Equity Pool Class
Harmony Canadian Enhanced Fixed Income Pool Class (formerly Harmony Canadian Fixed Income Pool Class)
Harmony Non-Traditional Pool Class
Harmony Overseas Equity Pool Class
Harmony U.S. Equity Pool Class
Harmony Balanced Growth Portfolio Class
Harmony Growth Plus Portfolio Class
Harmony Growth Portfolio Class
Harmony Maximum Growth Portfolio Class
(Classes of Harmony Tax Advantage Group Limited (Embedded Series, Series F, Series T, Series V and Wrap Series Shares)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated August 11, 2008
NP 11-202 Receipt dated August 12, 2008
Offering Price and Description:
Embedded Series, Series F, Series T, Series V and Wrap Series Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1269415

Issuer Name:
Harmony Non-traditional Pool
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated August 11, 2008
NP 11-202 Receipt dated August 12, 2008
Offering Price and Description:
Embedded Series, Series F, Series T, Series V and Wrap Series Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1271401

Issuer Name:
InterOil Corporation
Type and Date:
Final Short Form Base Shelf Prospectus dated August 6, 2008
Receipted on August 7, 2008
Offering Price and Description:
U.S. $200,000,000.00:
Common Shares
Preferred Shares
Warrants
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1294924

Issuer Name:
Mackenzie Growth Fund (Series A, F, G, I, and O Securities)
Mackenzie Maxxum Canadian Value Class of Mackenzie Financial Capital Corporation (Series A, F, I, O, P, T6 and T8 Securities)
Mackenzie Maxxum Dividend Fund (Series A, F, G, I, O, P, T6 and T8 Securities)
Mackenzie Universal Canadian Growth Fund (Series A, F, G, I, and O Securities)
Mackenzie Focus America Class of Mackenzie Financial Capital Corporation (Series A, F, I, O, P, T6 and T8 Securities)
Mackenzie Universal U .S. Dividend Income Fund (Hedged Class & Unhedged Class) (Series A, F, I, O, T5 Securities)
Mackenzie Cundill Emerging Markets Value Class of Mackenzie Financial Capital Corporation (Series A, F, I, and O Securities)
Mackenzie Cundill Recovery Fund (C, F, G, I and O Securities)
Mackenzie Cundill Value Class of Mackenzie Financial Capital Corporation (Series A, F, I, O, P, T6 and T8 Securities)
Mackenzie Focus Fund (Series A, F, G, I and O Securities)
Mackenzie Focus Class of Mackenzie Financial Capital Corporation (Series A, F, I, O, P, T6 and T8 Securities)
Mackenzie Focus International Class of Mackenzie Financial Capital Corporation (Series A, F, I, O, P, T6 and T8 Securities)
Mackenzie Founders Fund (Series A, F, G, I, O, P, T6 and T8 Securities)
Mackenzie Ivy Foreign Equity Fund (Series A, F, G, I, O, P, T6 and T8 Securities)
Mackenzie Universal Canadian Resource Fund (Series A, F, G, I, and O Securities)
Mackenzie Universal World Precious Metals Class of Mackenzie Financial Capital Corporation (Series A, F, I, and O Securities)
Mackenzie Sentinel Bond Fund (Series A, F, G, I, M and O Securities)
Mackenzie Sentinel Canadian Managed Yield Class of Mackenzie Financial Capital Corporation (Series A, F, I, and O Securities)
Mackenzie Sentinel Corporate Bond Fund (Series A, F, G, I, and O Securities)
Mackenzie Sentinel U.S. Managed Yield Class of Mackenzie Financial Capital Corporation (Series A, F, I, and O Securities)
Mackenzie Founders Income & Growth Fund (Series A, F, G, I, O, P, T5, T6 and T8 Securities)
Mackenzie Ivy Growth and Income Fund (Series A, F, G, I, O, P, T6 and T8 Securities)
Principal Regulator - Ontario
Type and Date:
Amendment #5 dated July 23, 2008 to the Simplified Prospectuses and Annual Information Forms dated November 14, 2007
NP 11-202 Receipt dated August 6, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #1166245

Issuer Name:
Slater Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated August 5, 2008
NP 11-202 Receipt dated August 12, 2008
Offering Price and Description:
$200,000.00 OR 2,000,000 COMMON SHARES PRICE: $0.10 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Woodstone Capital Corporation
Promoter(s):
-
Project #1293951

Issuer Name:
TDK Resource Fund Inc.
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated August 8, 2008
NP 11-202 Receipt dated August 11, 2008
Offering Price and Description:
CLASS A SHARES, SERIES 1
Underwriter(s) or Distributor(s):
TDK Management Fund Inc.
Promoter(s):
-
Project #1290937

Issuer Name:
Treasury Metals Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated August 7, 2008
NP 11-202 Receipt dated August 11, 2008
Offering Price and Description:
Non-Offering
Underwriter(s) or Distributor(s):
Thomas Weisel Partners Canada Inc.
Dundee Securities Corporation
Haywood Securities Inc.
Promoter(s):
Laramide Resources Ltd.
Project #1286133

Issuer Name:
Clarion Mining Corporation
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated March 31, 2008
Withdrawn on August 6, 2008
Offering Price and Description:
$2,000,000.00 to $6,000,000 .00 - 6,666,667 to 16,666,667 Flow-Through Shares and 4,000,000 Common Shares Price: $0.30 per Flow-Through Share Price: $0.25 per Common Share
Underwriter(s) or Distributor(s):
Union Securities Ltd.
Promoter(s):
Stephen Mlot
Project #1243033

Issuer Name:
Rodinia Oil Corp.
Principal Jurisdiction - Alberta
Type and Date:
Preliminary Prospectus dated May 5, 2008
Withdrawn on August 11, 2008
Offering Price and Description:
* Common Shares $ *.* Per Common Share
Underwriter(s) or Distributor(s):
Tristone Capital Inc.
Blackmont Capital Inc.
Firstenergy Capital Corp.
Haywood Securities Inc.
Promoter(s):
Peter A. Philipchuk
Mathew P. Philipchuck
Project #1260567

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Rule 33-501 - Surrender of Registration)	Bieber Securities Inc.	Investment Dealer	August 7, 2008
New Registration	Rogge Global Partners plc	International Adviser (Investment Counsel & Portfolio Manager)	August 11, 2008
New Registration	Pegasus Capital Management Inc.	Limited Market Dealer and Investment Counsel & Portfolio Manager	August 11, 2008
Name Change	From: AIM Funds Management Inc. To: Invesco Trimark Ltd. /Invesco Trimark Ltée	Limited Market Dealer & Investment Counsel & Portfolio Manager	August 11, 2008
Name Change	From: AIM Mutual Fund Dealer Inc. To: Invesco Trimark Dealer Inc./Courtage Invesco Trimark Inc.	Mutual Fund Dealer	August 11, 2008

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Hearing Panel Approves Settlement Agreement with Patrick Sullivan

NEWS RELEASE
For immediate release

MFDA HEARING PANEL APPROVES SETTLEMENT AGREEMENT WITH PATRICK SULLIVAN

August 6, 2008 (Vancouver, British Columbia) – A Settlement Hearing in the matter of Patrick Sullivan was held today before a Hearing Panel of the Pacific Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA"). The Hearing Panel approved the Settlement Agreement between the MFDA and Patrick Sullivan. The following is a summary of the Orders made by the Hearing Panel:

- A fine in the amount of $30,000; and
- Costs in the amount of $5,000

The Hearing Panel advised that it would issue written reasons in due course.

A copy of the Settlement Agreement with Patrick Sullivan is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 158 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

13.1.2 MFDA Sets Next Appearance Date for the Hearing regarding Domenic Fanelli and Michele Torchia

NEWS RELEASE
For immediate release

MFDA SETS NEXT APPEARANCE DATE FOR THE HEARING REGARDING DOMENIC FANELLI AND MICHELE TORCHIA

August 12, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Domenic Fanelli and Michele Torchia by Notice of Hearing dated June 13, 2008.

As specified in the Notice of Hearing, the first appearance in this proceeding took place today before a three-member Hearing Panel of the MFDA Central Regional Council.

Following submissions by the parties respecting scheduling and procedural matters, the Hearing Panel directed that the next appearance in this proceeding will take place on Wednesday, December 17, 2008 at 10:00 a.m. (Eastern) in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario, or as soon thereafter as the hearing can be held. This appearance will be open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 158 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Yvette MacDougall
Hearings Coordinator
(416) 943-4606 or ymacdougall@mfda.ca

13.1.3 Request for Comment for Public Interest Amendments to Add Part X-Special Purpose Acquisition Corporations to the TSX Company Manual

REQUEST FOR COMMENT FOR PUBLIC INTEREST AMENDMENTS TO ADD PART X-SPECIAL PURPOSE ACQUISITION CORPORATIONS TO THE TSX COMPANY MANUAL

Toronto Stock Exchange ("TSX") is publishing for comment a proposed new rule ("Part X") which would result in the introduction of Part X – Special Purpose Acquisition Corporations to the TSX Company Manual (the "Manual"). Part X is being published for a 30 day comment period.

Part X will be effective upon approval by the Ontario Securities Commission (the "OSC") following public notice and comment. Comments should be in writing and delivered by Monday, September 15, 2008 to:

Michal Pomotov
Legal Counsel
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2
Fax: (416) 947-4461
Email: michal.pomotov@tsx.com

A copy should also be provided to the OSC:

Susan Greenglass
Manager
Market Regulation
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
Email: marketregulation@osc.gov.on.ca

Comments will be publicly available unless confidentiality is requested.

Overview

TSX is seeking comments on Part X. Currently, TSX only approves for listing issuers with an operating business which meet certain financial requirements, as provided in Part III of the Manual. However, TSX has recently observed, in the United States, a growing number of issuers going public with the intention to later complete a qualifying acquisition by merging with or acquiring an operating company with the proceeds of such offering. Such financial vehicles are generally known as special purpose acquisition corporations or "SPACs", and such transactions are similar to reverse mergers or reverse takeovers. However, unlike reverse takeovers, SPACs generally offer: i) a clean public company shell; ii) more experienced management teams; iii) greater certainty of financing; and iv) a readily available retail and institutional securityholder base.

Recent SPAC offerings have included a wide range of investor protections that mitigate TSX's previous concerns about listing SPACs. SPACs bear some similarity to capital pool companies ("CPCs") in that both involve the creation of publicly-traded shell companies which later acquire an operating business using the initial proceeds raised. However, the proposed SPAC rules differ from the CPC rules, particularly because SPACs are much larger than CPCs and therefore involve more stringent investor protections. The proposed SPAC rules take into account SPAC rules recently adopted by the New York Stock Exchange and currently proposed by NASDAQ, while also incorporating best commercial practices observed in the SPAC market in the United States.

As at April 30, 2008, in the United States, 94 SPACs had completed their initial public offerings, having raised an aggregate of US$18.6 billion, but had not yet completed their qualifying acquisition. Another 87 SPACs were in the process of registration. In the United States, the American Stock Exchange has been the leading exchange for SPACs. Recently, NASDAQ and New York Stock Exchange both proposed to adopt SPAC rules. NYSE's SPAC rules were approved and came into effect on May 6, 2008. In addition, global financial institutions such as Goldman Sachs, Citi, UBS, Deutsche Bank, Merrill Lynch, JP Morgan and Morgan Stanley have acted as investment bankers for SPACs.

As a result of the growing market acceptance of SPACs in the United States, and building on the CPC concept, TSX is proposing Part X to provide a framework for the listing of SPACs on TSX.

Part X sets out: i) the original listing requirements which must be met by the SPAC; ii) the continued listing requirements that a SPAC must meet prior to the completion of a qualifying acquisition; and iii) the process relating to the completion of a qualifying acquisition, or failing that, liquidation distribution of the SPAC.

Part X is attached as Appendix A and is summarized below.

Part X – Special Purpose Acquisition Corporations:

Original Listing Requirements – Sections 1003-1018

TSX has considered a number of factors in developing Part X, including the SPAC rules in place or proposed by other stock exchanges. The proposed original listing requirements for SPACs also take into account TSX's current original listing requirements for operating businesses, the need for investor protection, as well as the size and nature of the Canadian marketplace. TSX also consulted with its Listings Advisory Committee which is made up of investment bankers, securities lawyers and institutional investors, in order to ensure a broad spectrum of considerations are addressed in Part X and this request for comments.

TSX will retain discretion to take into account any factors it considers relevant and appropriate when assessing the merits of listing a SPAC. In particular, TSX will take into account factors such as the experience and track record of management, the extent of the founding securityholders' equity ownership in the SPAC and the gross proceeds publicly raised in its initial public offering ("IPO"). Part X includes many features to enhance investor protection given the lack of financial and operating history of a SPAC.

IPO Requirements

Part X contemplates that a minimum of $30 million be raised on the SPAC IPO. TSX considers that this threshold is appropriate to demonstrate market and management support and provides sufficient funds to purchase an operating business that may reasonably meet TSX's original listing requirements. The $30 million minimum also takes into account the relative size of the Canadian marketplace and the average IPO size in Canada.

Part X is also designed to align the interests of the founding securityholders with public securityholders and to ensure their continued participation by requiring such founding securityholders to hold an equity interest of at least 10% in the SPAC. Typically this interest is purchased in advance of the IPO at a price which may be significantly less than the IPO price. These securities may not be transferred prior to the completion of the qualifying acquisition and subsequently, may be subject to TSX's Escrow Policy. The securities are also restricted from voting on the qualifying acquisition and will not be permitted to receive proceeds from any liquidation distribution, as later described.

Although Part X sets a minimum equity interest of the founding securityholders in the SPAC, there is no proposed maximum. Generally, as with any IPO, TSX expects that the founding securityholders and underwriters will negotiate a commercially reasonable level of equity interest held by the founding securityholders, failing which a successful marketing of the IPO would be unlikely. However, TSX will consider the equity interest of the founding securityholders in listing the SPAC since such interest may be acquired at a price which may be significantly less than the IPO price. TSX may refuse to list a SPAC if the interest of the founding securityholders in the SPAC appears excessive. TSX would generally consider founding securityholders' interest above 20% of the resulting issuer excessive, excluding securities acquired in the IPO, on the secondary market or under a rights offering.

Finally, to prevent SPACs from being used to subvert the IPO and listing process for operating businesses, Part X requires that a SPAC must not be an active business and may not enter into a written or oral, binding or non-binding agreement in respect of a qualifying acquisition when seeking a listing on TSX.

Questions

1. Is $30,000,000 minimum raised on the IPO appropriate? If not, why, and what would be an appropriate amount?

2. Is it appropriate to require the founders to hold securities equal to at least 10% of the proceeds raised in the IPO? Is it appropriate that the founders be permitted to purchase securities at less than the IPO price taking into account the limitations on transfers, voting and liquidation prior to completion of a qualifying acquisition?

3. Should founding securityholders be limited to a maximum equity interest without an equity contribution which is equivalent to other securityholders? If so, what would be an appropriate level?
4. Is it appropriate to prohibit the identification of a qualifying acquisition target prior to the listing of the SPAC on TSX?

Capital Structure

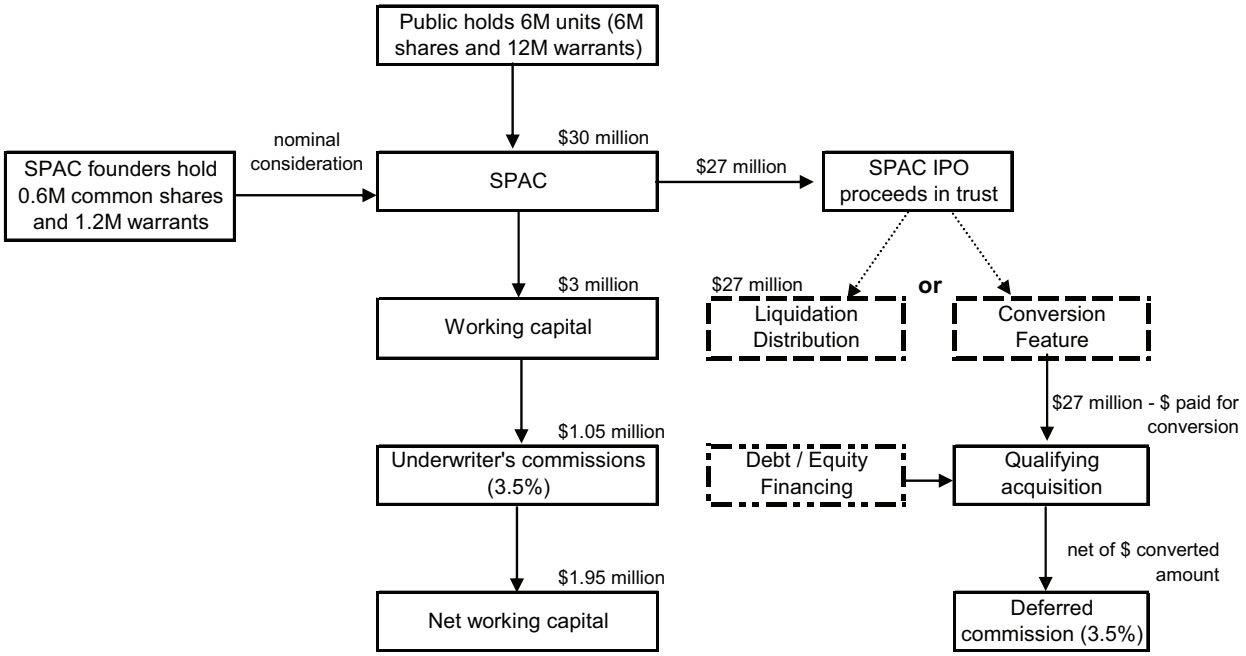
Securities to be issued by the SPAC must include a conversion right and a liquidation distribution feature.

The conversion right will allow securityholders (other than founding securityholders) who vote against a proposed qualifying acquisition to convert their securities into a pro rata portion of the proceeds held in trust if the qualifying acquisition is completed. Upon exercise of the conversion right, securityholders would be entitled to receive, for each security held, an amount equal to: (1) the aggregate amount then on deposit in the trust account (net of any applicable taxes and direct expenses related to exercise of the conversion right), divided by (2) the aggregate number of securities then outstanding.

The liquidation distribution feature will return a pro rata portion of the proceeds held in trust to securityholders if a qualifying acquisition is not completed within the prescribed time frame. Upon a liquidation distribution, all securityholders (other than founding securityholders in respect of their founding securities) will receive, for each security held, an amount at least equal to: (1) the aggregate amount then on deposit in the trust account (net of any applicable taxes and direct expenses related to the liquidation distribution), divided by (2) the aggregate number of securities then outstanding less any founding securities held by the founding securityholders.

The securities held by the founding securityholders are not excluded from the pro rata calculation for exercise of a conversion right because at this point, although the founding securityholders do not vote on the qualifying acquisition, they still participate in the qualifying acquisition if it is completed. However in the liquidation distribution scenario, the founding securityholders are not entitled to participate except to the extent of any securities purchased under the IPO prospectus, on the secondary market or under a rights offering. Therefore the remaining securityholders benefit from the forfeiture of the initial investment in the SPAC by the founding securityholders.

For illustrative purposes only, we have assumed a SPAC IPO of 6 million units at $5 per unit, each unit being comprised of a common share and 2 common share purchase warrants, as follows:



We further assume that no income is generated on the $27 million SPAC proceeds in trust, no taxes or expenses are applicable upon conversion or liquidation and the founding securityholders do not own any securities other than their founding securities.

Upon exercise of the conversion right, securityholders will receive $4.09 for each common share held, calculated as follows:

$$\frac{\text{proceeds in trust [\$27 million]}}{\text{common shares outstanding [6.6 million]}}$$

Upon a liquidation distribution, securityholders will receive $4.50 for each common share held, calculated as follows:

$$\frac{\text{proceeds in trust [\$27 million]}}{\text{common shares outstanding [6.6 million] – founders common shares [0.6 million]}}$$

TSX believes it is appropriate to limit dilution incurred by securityholders of a SPAC prior to completion of a qualifying acquisition. SPAC securities typically are not very liquid prior to announcement of a qualifying acquisition. TSX is therefore requiring that if units are issued in the IPO, share purchase warrants may not be exercisable before completion of a qualifying acquisition, expire if no qualifying acquisition takes place, and are not entitled to proceeds from liquidation.
To provide additional protection to securityholders, it is further proposed that a SPAC may not obtain any form of debt financing until the time of, or after, a qualifying acquisition.

Questions

5. Should securityholders be entitled to an amount other than their pro rata share of the proceeds held in trust in the event that the conversion right is exercised or the liquidation distribution occurs?

6. Is it appropriate that the warrants will separate immediately after completion of the IPO, but not be exercisable until the completion of the qualifying acquisition? Why or why not?

7. Is it appropriate to restrict debt financing to the time of or after completion of a qualifying acquisition? Why or why not?

IPO Proceeds

Part X proposes that a minimum of 90% of the gross proceeds raised on the IPO be put into trust. This is consistent with the requirements of other exchanges. The minimum may voluntarily be set at a higher amount. Furthermore, the trust funds may only be invested in certain permitted investments. These rules are intended to protect securityholders by ensuring that sufficient proceeds are available for a qualifying acquisition or to be returned to securityholders should a qualifying acquisition not be made within the permitted time frame. The interest earned from permitted investments may be used by the SPAC, generally to fund administrative expenses of the SPAC, provided any such intended use is disclosed in the IPO prospectus.

Underwriters will be required to deposit 50% of their commissions from the IPO into trust with the IPO proceeds. This portion of the commissions will only be released to the underwriters upon completion of a qualifying acquisition. Otherwise they will be distributed to securityholders as part of a liquidation distribution. In the event that a securityholder exercises his or her conversion rights and the qualifying acquisition is completed, the securityholder will be entitled to receive his or her pro rata portion of the trust funds, including the deferred commissions. This provision is intended to ensure that the interests of the underwriters are aligned with those of the SPAC securityholders.

The proposed public distribution requirements are consistent with the existing minimum listing requirements for operating issuers, that is, a minimum of 1 million securities held by the public and a minimum of 300 public holders.

Questions

8. Are 90% of gross proceeds raised on the IPO an appropriate minimum amount to be put into trust? If not, why, and what would be an appropriate amount?

9. Is it appropriate to require that the trust funds be invested in certain permitted investments? Should the SPAC be permitted to invest the funds as it sees fit, subject to disclosure in the IPO prospectus?

10. Is it appropriate to permit the SPAC to use the interest from permitted investments provided any intended use is disclosed in the IPO prospectus? Why or why not?

11. Should 50% of the underwriters' commissions be required to be placed in trust only to be paid upon successful completion of a qualifying acquisition?

12. Is the application of TSX standard distribution requirements of 300 public holders holding at least one board lot and 1,000,000 freely tradeable securities appropriate? If not, why, and what would be an appropriate alternative?

Continued Listing Requirements Prior to Completion of a Qualifying Acquisition – Sections 1019-1021

TSX is concerned about the dilution of securityholders in a SPAC prior to completion of a qualifying acquisition. Therefore in addition to the restrictions on debt financing and the exercisability of warrants, TSX is requiring that additional securities issued

prior to a qualifying acquisition must be issued by way of a rights offering to existing securityholders. A minimum of 90% of additional funds raised must also be placed into trust pending a qualifying acquisition or liquidation.

Similarly, a SPAC may not have any security based compensation arrangement in place prior to completion of a qualifying acquisition, after which securityholder approval will be required in accordance with Section 613 of the Manual.

Questions

13. Is it appropriate to limit the additional issuance of securities following the IPO and prior to the completion of a qualifying acquisition? Why or why not?

14. Is it appropriate to require SPACs raising additional capital to do so by a rights offering or should other means, such as private placements and public offerings, be permitted? Why or why not?

Completion of a Qualifying Acquisition – Sections 1022-1030

Under Part X, SPACs will have up to three years from the date of the closing of the distribution under the IPO prospectus to complete a qualifying acquisition. The qualifying acquisition must be approved by a majority of the votes cast by securityholders of the listed SPAC, excluding founding securityholders, at a duly called meeting. If multiple acquisitions are required to meet TSX original listing requirements and those of a qualifying acquisition, each transaction must be approved by securityholders and must close prior to the deadline. This deadline has been set taking into account the timelines under the rules of other stock exchanges and to provide sufficient time and flexibility for a SPAC to complete a qualifying acquisition.

Part X also requires that the value of the qualifying acquisition must represent at least 80% of the value of the IPO proceeds in trust. If multiple acquisitions are required to satisfy this requirement, these transactions must close concurrently. Both NYSE and NASDAQ have an equivalent requirement for the minimum fair market value of the target asset(s) or business(es). TSX considers this threshold appropriate in order to ensure that the qualifying acquisition can reasonably meet TSX original listing requirements and to ensure that the IPO proceeds in trust are used for their intended purpose.

It is contemplated that holders of securities voting against a qualifying acquisition will be entitled to convert their securities for their pro rata portion of the proceeds in trust. NYSE has a similar conversion right for a securityholder voting against a proposed qualifying acquisition.

Certain stock exchanges, including NYSE, will assess whether the issuer resulting from the completion of a qualifying acquisition meets continued listing requirements rather than original listing requirements, unless the qualifying acquisition constitutes a backdoor listing. NYSE will not permit a qualifying acquisition to proceed if public securityholders owning in excess of a certain threshold amount (to be set no higher than 40%) of the securities exercise their conversion rights.

Part X provides that a majority of public holders of securities must approve the proposed qualifying acquisition and does not set a maximum threshold amount for conversion rights. However, the SPAC may choose to set limits or conditions, which must be disclosed in its IPO prospectus and information circular. In addition, TSX will review every resulting issuer in accordance with original listing requirements. TSX is not therefore proposing to require a conversion right threshold amount. However, a SPAC may then need to obtain debt or equity financing to complete a qualifying acquisition which meets TSX original listing requirements. Any debt or equity financing will be taken into consideration in conjunction with the original listing review when assessing the capital structure of the resulting issuer. Such financing may not be completed other than contemporaneously with or immediately following the qualifying acquisition. Any equity financing by the SPAC must be completed in accordance with Parts VI and X.

As the SPAC and the qualifying acquisition may be viewed as a two-stage going public process, TSX believes that it is more appropriate to complete an original listing review of the resulting issuer rather than ensuring that a specified portion of the trust proceeds are available for the qualifying acquisition, provided that a majority of the securityholders have approved the transaction. TSX proposes that securityholder voting rights and conversion rights are sufficient protection and that if necessary, the market will set an appropriate threshold beyond which a proposed qualifying acquisition may not be consummated.

In Canada, there is generally no requirement under securities law to file a prospectus for the resulting issuer in connection with a qualifying acquisition. An information circular in connection with the securityholder meeting called to consider a proposed qualifying acquisition with prospectus level disclosure must be pre-cleared by TSX and distributed to securityholders. In the United States, the Securities and Exchange Commission pre-clears proxy circulars, other than for foreign private issuers, relating to securityholder meetings to consider a qualifying acquisition, as well as any registration statement for securities being issued on a qualifying acquisition.

Further to discussions with securities regulators, Part X includes a requirement for SPACs to file and obtain a receipt from applicable securities regulators for a final prospectus containing full, true and plain disclosure regarding the resulting issuer

assuming completion of the qualifying acquisition. The receipt must be issued prior to mailing the information circular describing the qualifying acquisition in order to ensure complete and consistent disclosure. The prospectus will be a non-offering prospectus if additional securities are not being distributed to the public at the time of the qualifying acquisition. Failure to obtain the receipt prior to completion of the qualifying acquisition will result in the delisting of the SPAC.

Questions

15. A SPAC listed on TSX must complete a qualifying acquisition within three years of the date of the closing of the distribution under the IPO prospectus. Is this timeline appropriate? If not, why, and what would be an appropriate alternative timeline?

16. If a securityholder votes against a proposed qualifying acquisition, should there be a conversion right? Why or why not?

17. Should TSX require that a qualifying acquisition not proceed if a certain threshold percentage of securityholders exercise their conversion rights? If yes, what is an appropriate threshold? In conjunction with a conversion right threshold, should TSX review the resulting issuer on a continued listing basis rather than an original listing basis? Why or why not?

18. Is it appropriate to require the minimum value of a qualifying acquisition be at least 80% of the IPO proceeds in trust? Why or why not?

19. If a qualifying acquisition is composed of multiple acquisitions, is it appropriate to require them to close concurrently in order to satisfy the fair market value of the qualifying acquisition?

20. Is it appropriate to require SPAC issuers to obtain a receipt for a prospectus that assumes completion of a qualifying acquisition prior to mailing the information circular and completing the qualifying acquisition? Why or why not?

21. What are the benefits of the SPAC clearing a prospectus prior to mailing the information circular and completing the qualifying acquisition? What are the costs? Please consider all stakeholders, including securityholders, the public and the marketplace.

22. Will the prospectus requirement materially affect costs and timing of a qualifying acquisition? If yes, how? How do these costs and timing issues compare with benefits provided by the prospectus?

Liquidation and Delisting Following Failure to Complete a Qualifying Acquisition - Sections 1031-1033

SPACs which fail to complete a qualifying acquisition prior to the deadline must complete a liquidation distribution within 30 days after the deadline. The SPAC will be delisted from TSX on or about the liquidation distribution date. Founding securityholders may not participate in any liquidation distribution for their founding securities. The aggregate amount then on deposit in trust will be distributed to securityholders, net of any applicable taxes and direct expenses related to the liquidation distribution. These requirements and time frame are consistent with those of other exchanges.

Questions

23. Is the time frame for liquidation and distribution appropriate? Why or why not?

Continued Listing Requirements Following Completion of a Qualifying Acquisition - Section 1034

Upon completion of a qualifying acquisition, the resulting issuer will be subject to TSX continued listing requirements and other rules.

Questions

24. Are there any additional requirements or rules that would be appropriate for SPACs that should be considered?

25. Are there additional factors, not discussed in this Request for Comments, to consider in adopting Part X?

Ancillary Proposed Rule Amendments

The following ancillary rule amendments are non-public interest and will only be made at the effective time of Part X.

Part I – Introduction

Definitions will be added. See **Appendix B**.

Part III – Original Listing Requirements

Sections 307 and 308 will be amended to refer to SPACs and Part X. See blackline attached as **Appendix C**.

Appendix C – Toronto Stock Exchange Escrow Policy Statement

Section III will be amended to refer to escrow requirements for SPACs. See blackline attached as **Appendix D**.

Question

26. Are there additional ancillary rule amendments, not discussed in this Request for Comments, to consider in adopting Part X?

Public Interest

TSX is publishing Part X for a 30 day comment period, which expires September 15, 2008. TSX believes that it is important for its key stakeholders to have an opportunity to review Part X prior to its implementation. As a result, Part X will only become effective following public notice, a comment period and the approval of the OSC.

Text of Policy

Part X is attached as **Appendix A**.

APPENDIX A
PROPOSED PART X OF THE TSX COMPANY MANUAL

PART X

SPECIAL PURPOSE ACQUISITION CORPORATIONS (SPACS)

Scope of Policy

Listing a SPAC on the Exchange is a two-stage process. The first stage involves the filing and clearing of an IPO prospectus, the completion of the IPO and the listing of the SPAC's securities on the Exchange. The second stage involves the identification and completion of a qualifying acquisition.

The main headings in this Part X are:

A. General Listing Matters

B. Original Listing Requirements

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

D. Completion of a Qualifying Acquisition

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

A. General Listing Matters

Securities to be Listed

Sec. 1001. To secure a listing of its securities on the Exchange, a SPAC must complete a listing application which, together with supporting documentation and information, must demonstrate that it is able to meet the Exchange's original listing requirements for SPACs, as detailed in Sections 1003 to 1018. The listing application, preliminary prospectus, draft trust indenture governing the IPO proceeds and personal information forms for all insiders of the SPAC should be filed with the Exchange concurrently with the filing of the preliminary prospectus with the OSC.

Exercise of Discretion

Sec. 1002. The Exchange may, in its discretion, take into account any factors it considers relevant in assessing the merits of a listing application and may refuse to grant an application notwithstanding that the prescribed original listing requirements are met. In addition, the Exchange will consider:

(a) The experience and track record of the officers and directors of the SPAC;

(b) The nature and extent of officers' and directors' compensation;

(c) The extent of the founding securityholders' equity ownership in the SPAC;

(d) The amount of time permitted for completion of the qualifying acquisition prior to the liquidation distribution; and

(e) The gross proceeds publicly raised under the IPO prospectus.

B. Original listing Requirements

IPO

Sec. 1003. A SPAC must, concurrently with listing on the Exchange, raise a minimum of $30,000,000 through an IPO of shares or units; if units are issued, each unit may consist of one share and no more than two share purchase warrants.

Sec. 1004. Prior to listing on the Exchange, the founding securityholders must subscribe for units, shares or warrants of the SPAC representing an aggregate equity interest of at least 10% of the SPAC immediately following closing of the IPO. The terms of the initial investment must be disclosed in the IPO prospectus. The founding securityholders must agree not to transfer any of their founding securities prior to the completion of a qualifying acquisition. In the event of liquidation and delisting, the founding securityholders must agree that their founding securities shall not participate in a liquidation distribution.

Sec. 1005. The shares, warrants and/or units to be listed on the Exchange must be qualified by a prospectus receipted by the issuer's principal regulator.

No Operating Business

Sec. 1006. A SPAC seeking listing on the Exchange must not carry on an operating business. A SPAC may be in the process of reviewing a potential qualifying acquisition, but may not have entered into a written or oral, binding or non-binding agreement with respect to a potential qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that as of the date of filing, the SPAC has not entered into a written or oral, binding or non-binding agreement with respect to a potential qualifying acquisition. A SPAC may have identified a target business sector or geographic area in which to make a qualifying acquisition, provided that it discloses this information in its IPO prospectus.

Jurisdiction of Incorporation

Sec. 1007. The Exchange will consider the jurisdiction of incorporation of a SPAC as part of the listing application process. The Exchange recommends that SPACs seeking listing on the Exchange be incorporated under Canadian federal or provincial corporate laws. Where a SPAC is incorporated under laws outside of Canada and wishes to list on the Exchange, the Exchange recommends that it obtain a preliminary opinion as to whether the jurisdiction of incorporation is acceptable to the Exchange.

Capital Structure

Sec. 1008. A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) the security provisions must contain:

(i) a conversion feature, pursuant to which securityholders (other than founding securityholders) who voted against a proposed qualifying acquisition at a duly called meeting of securityholders may, in the event such qualifying acquisition is completed within the time frame set out in Section 1022, elect that each security held be converted into an amount at least equal to: (1) the aggregate amount then on deposit in the trust account (net of any applicable taxes and direct expenses related to the exercise of the conversion right), divided by (2) the aggregate number of securities then outstanding; and

(ii) a liquidation distribution feature, pursuant to which securityholders (other than the founding securityholders in respect of their founding securities) must, if the qualifying acquisition is not completed within the permitted time set out in Section 1022, be entitled to receive, for each security held, an amount at least equal to: (1) the aggregate amount then on deposit in the trust account (net of any applicable taxes and direct expenses related to the liquidation distribution), divided by (2) the aggregate number of securities then outstanding less the founding securities;

(b) in addition to Section 1008(a) where units are issued in the IPO:

(i) the share purchase warrants must not be exerciseable prior to the completion of the qualifying acquisition;

(ii) the share purchase warrants must expire on the earlier of: (x) a fixed date specified in the IPO prospectus, and (y) the date on which the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022; and

(iii) share purchase warrants may not have an entitlement to the trust funds upon liquidation of the SPAC.

Prohibition of Debt Financing

Sec. 1009. The SPAC shall not be permitted to obtain any form of debt financing (excluding ordinary course short term trade or accounts payables) other than contemporaneous with, or after, completion of its qualifying acquisition. A credit facility may be entered into prior to completion of a qualifying acquisition, but may only be drawn down contemporaneous with, or after, completion of a qualifying acquisition. Every SPAC seeking a listing on the Exchange must include a statement in its IPO prospectus that it will not obtain any form of debt financing other than in accordance with this Section 1009.

Use of Proceeds Raised in the IPO and Trust Requirements

Sec. 1010. Immediately upon listing on the Exchange, a SPAC must place at least 90% of the gross proceeds raised in its IPO in trust with a trustee unrelated to the transaction and acceptable to the Exchange. The following entities, if Canadian, are examples of the types of trustees that are acceptable to the Exchange: trust companies, financial institutions and law firms.

Sec. 1011. The trustee must invest the trust funds in permitted investments. The SPAC must disclose the proposed nature of this investment in its IPO prospectus, as well as any intended use of the interest earned on the trust funds from the permitted investments.

Sec. 1012. The trust indenture governing the trust must provide for:

(a) the termination of the trust and release of the trust funds on a pro rata basis to securityholders who exercise their conversion rights in accordance with Section 1008(a)(i) and the remaining trust funds to the SPAC if the SPAC completes a qualifying acquisition within the permitted time set out in Section 1022; and

(b) the termination of the trust and the distribution of the trust funds to securityholders in accordance with the terms of Sections 1031 to 1033 if the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022.

In accordance with Section 1001, a draft of the trust indenture must be submitted to the Exchange for pre-clearance.

Sec. 1013. The underwriters must agree to defer and deposit a minimum of 50% of their commissions from the IPO as part of the trust funds. The deferred commissions will only be released to the underwriters upon completion of a qualifying acquisition within the permitted time set out in Section 1022. If the SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, the deferred commissions placed in trust will be distributed to the holders of the securities as part of the liquidation distribution. Securityholders voting against a qualifying acquisition and exercising their conversion rights will be entitled to their pro rata portion of the trust funds including any deferred commissions.

Sec. 1014. The proceeds from the IPO that are not placed in trust and interest earned on the trust funds from permitted investments may be applied as payment for administrative expenses incurred by the SPAC in connection with the IPO and the identification and completion of a qualifying acquisition.

Public Distribution

Sec. 1015. A SPAC seeking listing on the Exchange must satisfy all of the criteria below:

(a) at least 1,000,000 freely tradeable securities are held by public holders;

(b) the aggregate market value of the securities held by public holders is at least $30,000,000; and

(c) at least 300 public holders of securities, holding at least one board lot each.

Pricing

Sec. 1016. A SPAC seeking listing on the Exchange must issue securities pursuant to the IPO for a minimum price of $5.00 per share or unit.

Other Requirements

Sec. 1017. In connection with its original listing, a SPAC will be subject to the following Sections of this Manual:

(a) Section 325 – Management

(b) Section 327 – Escrow Requirements

(c) Section 328 – Restricted Shares

(d) Sections 338-351 – The Listing Application Procedure

(e) Sections 352-356 – Approval of Listing and Posting Securities

(f) Sections 358-359 – Public Availability of Documents

(g) Section 360 – Provincial Securities Laws

Sec. 1018. A SPAC seeking a listing on the Exchange will not be permitted to adopt a security based compensation arrangement prior to the completion of a qualifying acquisition.

C. Continued Listing Requirements Prior to Completion of a Qualifying Acquisition

Additional Funds by way of Rights Offering Only

Sec. 1019. The Exchange will permit a listed SPAC to raise additional funds pursuant to the issuance of securities from treasury provided that: (i) the issuance is by way of rights offering in accordance with the requirements in Part VI of this Manual and (ii) 90% of the funds raised are placed in trust in accordance with the provisions of Sections 1010 to 1014.

Sec. 1020. The Exchange will only permit additional funds to be raised by a listed SPAC pursuant to Section 1019 to fund a qualifying acquisition and/or administrative expenses of the SPAC.

Other Requirements

Sec. 1021. Prior to completion of its qualifying acquisition, in addition to this Part X, a listed SPAC will be subject to the following Parts of this Manual:

(a) Parts IV and V;

(b) Part VI, provided that, until completion of a qualifying acquisition, a listed SPAC may only issue and make securities issuable in accordance with Sections 1019 to 1020. Security based compensation arrangements may not be adopted until completion of a qualifying acquisition, for which securityholder approval will be required in accordance with Section 613;

(c) Part VII with the exception of Subsections 710(a)(ii) and 710(a)(iii);

(d) Part IX; and

(e) Applicable listing fees and forms.

D. Completion of a Qualifying Acquisition

Permitted Time for Completion of a Qualifying Acquisition

Sec. 1022. A SPAC must complete a qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus. Where the qualifying acquisition is comprised of more than one acquisition, the SPAC must complete each of the acquisitions comprising the qualifying acquisition within 36 months of the date of closing of the distribution under its IPO prospectus, in addition to meeting the requirements of Section 1023.

Fair Market Value of a Qualifying Acquisition

Sec. 1023. The businesses or assets forming the qualifying acquisition must have an aggregate fair market value equal to at least 80% of the aggregate amount then on deposit in the trust account, excluding deferred underwriting commissions held in trust and any taxes payable on the income earned on the trust funds. Where the qualifying acquisition is comprised of more than one acquisition, and the multiple acquisitions are required to satisfy the aggregate fair market value of a qualifying acquisition, these acquisitions must close concurrently and within the time frame in Section 1022.

Securityholder Approval

Sec. 1024. The qualifying acquisition must be approved by a majority of the votes cast by securityholders of the SPAC at a meeting duly called for that purpose. Where the qualifying acquisition is comprised of more than one acquisition, each acquisition must be approved. The founding securityholders shall not be entitled to vote any of their securities with respect to the approval of the qualifying acquisition.

Sec. 1025. The SPAC may impose additional conditions on the approval of a qualifying acquisition, provided that the conditions are described in the information circular describing the qualifying acquisition. For example, the SPAC may impose a condition not to proceed with a proposed qualifying acquisition if more than a pre-determined percentage of public holders of securities vote against the proposed qualifying acquisition and exercise their conversion rights.

Sec. 1026. In connection with the securityholder meeting at which there will be a vote on a qualifying acquisition, the SPAC must prepare an information circular containing prospectus level disclosure of the resulting issuer assuming completion of the qualifying acquisition. This information circular must be submitted to the Exchange for pre-clearance prior to distribution.

Sec. 1027. In accordance with Section 1008, holders of securities who vote against the qualifying acquisition must be entitled to convert their securities for their pro rata portion of the trust funds in the event that the qualifying acquisition is completed.

Prospectus Requirement for Qualifying Acquisition

Sec. 1028. The SPAC must prepare and file a prospectus containing disclosure regarding the SPAC and its proposed qualifying acquisition with the Canadian securities regulatory authority in each jurisdiction in which the SPAC and the resulting issuer is and will be a reporting issuer assuming completion of the qualifying acquisition and, if applicable, in the jurisdiction in which the head office of the resulting issuer assuming completion of the qualifying acquisition is located in Canada. The SPAC must obtain a receipt for its final prospectus from the applicable securities regulatory authorities prior to mailing the information circular described in Section 1026. If a receipt for the final prospectus is not obtained, completion of the qualifying acquisition will result in the delisting of the SPAC.

Exchange Approval

Sec. 1029. The issuer resulting from the completion of the qualifying acquisition by the SPAC must meet the Exchange's original listing requirements set out in Part III of this Manual. Failure to obtain the Exchange's approval of the listing of the resulting issuer prior to the completion of the qualifying acquisition will result in the delisting of the SPAC.

Escrow Requirements

Sec. 1030. Upon completion of the qualifying acquisition, the resulting issuer shall be subject to the Exchange's Escrow Policy.

E. Liquidation Distribution and Delisting Upon Failure to Meet Timelines for a Qualifying Acquisition

Sec. 1031. If a listed SPAC fails to complete a qualifying acquisition within the permitted time set out in Section 1022, it must complete a liquidation distribution within 30 calendar days after the end of such permitted time, pursuant to which the trust funds must be distributed to the holders of securities on a pro rata basis, and in accordance with Section 1032.

Sec. 1032. In accordance with Section 1004, the founding securityholders may not participate in any liquidation distribution with respect to any of their founding securities. In addition, in accordance with Section 1013, all

deferred underwriter commissions held in trust will be part of the liquidation distribution. A liquidation distribution therefore includes the minimum of 90% of the gross proceeds raised in the IPO, as required under Section 1010, as well as the proceeds from the founding securityholders' founding securities (in accordance with Section 1004) and 50% of the underwriters' commissions as described in this Section. Any interest earned through permitted investments that remains in trust shall also be part of the liquidation distribution. The amount distributed on a liquidation distribution shall however be net of any applicable taxes and direct expenses related to the liquidation distribution.

Sec. 1033. The Exchange will delist the SPAC's securities on or about the liquidation distribution date.

F. Continued Listing Requirements Following Completion of a Qualifying Acquisition

Sec. 1034. Once a qualifying acquisition has been completed, the resulting issuer will be subject to all continued listing requirements in this Manual without exception.

APPENDIX B
ANCILLARY PROPOSED AMENDMENTS TO PART I – DEFINITIONS

Definitions to be added to Part I:

"**founding securities**" means securities in the SPAC held by the founding securityholders, excluding any purchased by founding securityholders under the IPO prospectus, on the secondary market or under a rights offering by the SPAC;

"**founding securityholders**" means insiders and equity securityholders of a SPAC prior to the completion of the IPO who continue to be insiders or equity securityholders, as the case may be, immediately after the IPO;

"**IPO prospectus**" means the final prospectus for the initial public offering of the SPAC;

"**listing application**" means an application for the original listing on the Exchange in the form found in Appendix A of the Manual;

"**permitted investments**" means investments in the following: cash or in book based securities, negotiable instruments, investments or securities which evidence: (i) obligations issued or fully guaranteed by the Government of Canada, the Government of the United States of America or any Province of Canada or State of the United States of America; (ii) demand deposits, term deposits or certificates of deposit of banks listed Schedule I or Schedule III of the Bank Act (Canada), which have a short term debt rating of "R 1 (low)" or better by DBRS and "A 1+" or better by S&P; (iii) commercial paper directly issued by Schedule I or Schedule III Banks having, at the time of the investment therein, a short term debt rating of "R I (low)" or better by DBRS and "A 1 +" by S&P or better; or (iv) call loans to and notes or bankers' acceptances issued or accepted by any depository institution described in (ii) above;

"**principal regulator**" means the issuer's principal regulator determined in accordance with Multilateral Instrument 11-102 - Passport System;

"**qualifying acquisition**" means the acquisition of assets or one or more businesses by a SPAC which result in the issuer meeting the Exchange's original listing requirements set out in Part III of the Manual;

"**SPAC**" means a special purpose acquisition corporation;

"**trust funds**" means the funds placed in trust as required under Section 1010;

APPENDIX C
ANCILLARY PROPOSED AMENDMENTS TO
PART III – ORIGINAL LISTING REQUIREMENTS

Sec. 307. Companies applying for a listing on the Exchange are placed in one of three categories: Industrial/(General), Mining or Oil and Gas. All special purpose issuers such as exchange traded funds, split share corporations, income trusts, investment funds and limited partnerships are listed under the Industrial~~/~~ (General) category. All SPACs are listed under the Industrial (General) category. If the primary nature of a business cannot be distinctly categorized, the Exchange will designate the company to a listing category after a review of the company's financial statements and other documentation.

Sec. 308. There are specific minimum listing requirements for each of the three categories of companies. These requirements are set out in the following sections:

Industrial (excluding SPACs)	Sections 309 to 313
Mining	Sections 314 to 318
Oil and Gas	Sections 319 to 323

For SPACs, the minimum listing requirements, as well as other requirements, are set out in Part X.

The minimum listing requirements should be read in conjunction with the Exchange policy on quality of management, as set out in Section 325.

APPENDIX D
ANCILLARY PROPOSED AMENDMENTS TO
APPENDIX C
TORONTO STOCK EXCHANGE'S ESCROW POLICY STATEMENT

I. Introduction

Effective June 30, 2002, the Canadian Securities Administrators ("CSA") introduced National Policy 46-201, *Escrow for Initial Public Offerings,* (the "National Policy") and a standard form of escrow agreement, Form 46-201F1, *Escrow Agreement* (the "Escrow Form"), in connection with the National Policy.

As determined by the CSA, the fundamental objective of escrow is to encourage continued interest and involvement in an issuer, for a reasonable period after its initial Public Offering ("IPO"), by those principals whose continuing role would be reasonably considered relevant to an investor's decision to subscribe to the issuer's IPO.

All terms contained in the TSX Escrow Policy are as defined in the National Policy.

II. Application of the National Policy

Under the National Policy, escrow is not required for an issuer listing on TSX that, immediately after completion of its IPO, is:

i) classified by TSX under sections 309.1, 314.1, or 319.1 of this Manual, as applicable, as an exempt issuer; or

ii) a non-exempt issuer with a market capitalization of at least $100 million.

All other issuers completing initial public offerings and listing on TSX will be subject to the National Policy. Principals of such issuers will be required to place their securities in escrow under an escrow agreement in accordance with the terms of the National Policy, to be administered by the relevant CSA jurisdiction and not by TSX.

III. Application of the TSX Escrow Policy

The TSX Escrow Policy applies to issuers not otherwise subject to the National Policy that have:

i) listed on TSX by completing reverse takeovers of TSX listed issuers ("backdoor listings");

ii) listed on TSX by completing a qualifying acquisition by a SPAC as contemplated in Part X; or

iii) ~~ii)~~ conducted their IPOs in markets outside of a CSA jurisdiction within the 12 months preceding the date of the TSX listing application.

In deciding whether escrow is appropriate for such issuers, TSX will apply the principles of the National Policy. The provisions of the National Policy will be applied by TSX, including the use of the Escrow Form. TSX will administer escrow agreements entered into under the TSX Escrow Policy.

Subject to such terms and conditions as it may impose, TSX may:

i) exempt a person or issuer from the provisions of the TSX Escrow Policy otherwise applicable; or

ii) impose restrictions on a person or issuer beyond, or in addition to, those contained in the National Policy as applied to the TSX Escrow Policy where, in TSX's opinion, it would be in the public interest to do so.

For issuers where escrow is required, a principal's escrow securities are to be released as follows:

On the date of issuer's securities are listed on TSX (the listing date)	$^1/_4$ of the escrow securities
6 months after the listing date	$^1/_3$ of the remaining escrow securities
12 months after the listing date	$^1/_2$ of the remaining escrow securities
18 months after the listing date	the remaining escrow securities

IV. Administration of Existing Escrow Agreements

Issuers may apply to TSX to amend the terms of existing TSX escrow agreement and to request the transfer of securities within escrow or the early release of securities from escrow to reflect the release terms of the National Policy. For non-TSX escrow agreements, issuers must apply to the relevant exchange or relevant CSA jurisdiction under which the escrow agreement was originally entered into for any specific request to approve the transfer of securities within escrow or for the early release of securities from escrow.

The National Policy and the Escrow Form may be found on the web sites of CSA members including, but not limited to, the Ontario Securities Commission (www.osc.gov.on.ca).

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